September 5, 2026

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	**NSE Symbol:- PARAGMILK**

Dear Sir / Madam,

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

Sub: Intimation of 34th Annual General Meeting and Integrated Annual Report for FY 2025-26

This is to inform you that the 34th Annual General Meeting (AGM) of Members of the Company will be held on **Tuesday, September 29, 2026 at 4.30 P.M. (IST)** through Video Conferencing / Other Audio-Visual Means (VC / OAVM), in accordance with the relevant circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), *inter-alia*, to transact the businesses stated in the Notice convening the said AGM.

Pursuant to Regulations 30(2) and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of the 34th AGM and the Integrated Annual Report for Financial Year 2025-26 (Integrated Annual Report) for your information and records. In compliance with relevant circulars issued by MCA and SEBI, the Notice of the AGM along with the Integrated Annual Report are sent only by email to those Members whose e-mail IDs are registered with Depositories. Further, in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter is being sent to Members whose e-mail IDs are not registered with the Depositories, providing the weblink, path and QR code from where the Integrated Annual Report and Notice of the 34th AGM can be accessed.

The Notice of the 34th AGM and the Integrated Annual Report are also available on the website of the Company at www.paragmilkfoods.com.

Pursuant to Section 108 of the Companies Act, 2013 read with relevant rules and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has fixed **Tuesday, September 22, 2026** (close of business hours) as the **cut-off date and record date**, *inter-alia*, for determining the eligibility of the Members to cast their vote through remote e-Voting or through e-Voting during the 34th AGM and for entitlement of dividend for financial year ended March 31, 2026.

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

Request you to kindly take the same on records.

Thanking you.

For **Parag Milk Foods Limited**

Virendra Lalbahadur Varma

Digitally signed by Virendra Lalbahadur Varma
Date: 2026.09.05 19:29:41 +05'30'

Virendra Varma
Company Secretary &
Compliance Officer
FCS No. 10520

Encl: As above.

Integrated
Annual Report
2025-26

PARAG
Ideas for a new day

INNOVATIVE PRODUCTS | SMART NUTRITION | SUSTAINABLE GROWTH

Contents

Business Overview

From Farmers to Families

PAGE 08

Manufactured Capital

PAGE 28

Statutory Reports

Financial Statements

Forward-looking statements

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

Scan the QR code or visit our website to more about us

Preface

The dairy landscape is entering a new era, shaped by evolving lifestyles, more discerning consumers and a deeper understanding of nutrition. At Parag Milk Foods, we see this evolution as an opportunity to reimagine the role of dairy in everyday life, bringing together the trust built over decades with the possibilities emerging today.

This approach is reflected in a portfolio that spans everyday nourishment, premium experiences and new-age nutrition. Gowardhan, Go, Pride of Cows and Avvatar each serve distinct consumer needs, enabling us to take dairy beyond traditional categories and into emerging consumption occasions. we are translating consumer insight and technical expertise into products that combine quality, taste and nutritional relevance.

This evolution extends beyond our products to the way we operate and grow. Technology and data are enabling more connected and responsive operations, while our focus on renewable energy, biogas, water reuse, carbon reduction, soil health and responsible farming is helping us build resilience across the value chain. These efforts reflect a broader commitment to growth that is both progressive and responsible.

At the heart of this journey is an interconnected ecosystem, where healthy soil supports healthy farms, quality milk becomes nourishing products and trusted brands find their way into millions of homes.

By advancing what dairy can offer through innovative products, smarter nutrition, and how responsibly it can grow, we are shaping a future that is more relevant to consumers and more enduring for generations to come.

Reimagining the Goodness of Dairy

Founded in 1992, Parag Milk Foods Limited was established with a clear purpose- to create lasting value from India's dairy ecosystem while supporting farmers during periods of milk surplus. Over the years, that vision has grown into one of India's leading private-sector dairy FMCG companies, with a presence across more than 20 consumer-focused categories.

Built on the goodness of 100% cow's milk, our portfolio today includes fresh milk, ghee, paneer, cheese, curd, milk powders, whey protein, ready-to-eat sweets and nutrition products, brought to consumers through a family of four power brands:

Together, these brands serve a wide range of consumer needs, from everyday dairy staples and premium offerings to performance nutrition for an increasingly health-conscious India.

At the heart of our business is a fully integrated value chain that connects over half a million rural farmers with advanced manufacturing facilities, technology-enabled operations and a growing distribution network that reaches consumers across the country. What sets us apart is the depth of specialisation we bring to everything we make from ghee, cheese and paneer to whey, milk powders, UHT and fresh dairy each produced with dedicated process expertise, rigorous quality systems and manufacturing facilities approved by some of the world's most marquee institutional customers. This end-to-end capability, spanning milk receipt to finished value-added products under one roof, allows us to uphold the quality and consistency consumers expect from our brands while scaling with agility across categories.

Innovation runs through everything we do at Parag. It shows in the products we have pioneered from Cow ghee to one of India's largest cheese manufacturing plant and the country's first 100% vegetarian whey protein to a first-of-its-kind farm-to-home single origin milk brand, to name a few, through sustained investment in process technology, automation, R&D and feed and nutrition science. Across all our brands, we continue to develop new formats, flavours and protein-rich, value-added offerings that respond to changing consumer preferences and emerging nutrition trends. As lifestyles evolve and demand for health and protein continues to rise, this culture of company-wide innovation keeps us bringing relevant, high-quality offerings to consumers across age groups and lifestyles.

22%
market share of Gowardhan Ghee in the Branded Cow ghee segment

35%
market share of Go Cheese in the Cheese segment

Vision

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

Mission

Our consumers

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

Dairy innovation

An ongoing focus on dairy innovation enables us to produce an array of products that make milk moments nutritious, healthy and enjoyable; we market them under a targeted portfolio of brands.

Building long-term relationships with local communities

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

Good citizenship

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

Partnership with dairy farmers

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

Parag Brand Pillars

Goodness	Nutrition	Innovation	Ambition	Environmental Sustainability
Ensuring transparency, trust, and integrity across the supply chain, from the welfare of live stock to the final dairy product.	Providing healthy, natural, and high-quality nutrition alternatives that are both delicious and rich in essential nutrients	Utilizing modern technology and ongoing research to create unique nutrition experiences.	Pioneering new trends in the Indian nutrition industry, including substantial investments in large-scale automated infrastructure.	Driving responsible growth through water recycling, energy conservation and sustainable practices that protect the environment, empower local farming communities and enable the development of specialised products.

A Journey of Ideas, Innovation and Impact

1992

Parag Milk Foods, founded by Mr Devendra Shah in Manchar, Maharashtra

Why it Mattered

Established a procurement-led dairy business in the heart of Maharashtra's milk belt.

1998

Began our branded dairy journey with Gowardhan

Why it Mattered

Marked our entry into value-added dairy products, including ghee and butter.

2005

Launched Bhagyalaxmi Dairy Farm with advanced automation systems

Why it Mattered

Introduced scientific cattle management and technology-led milk productivity practices.

2008

Commissioned Go Cheese World with 40 MT/day capacity

Why it Mattered

Our foray into India's fastest-growing cheese category through large-format manufacturing

2010

Established a world-class UHT facility at Palamaner, Andhra Pradesh

Why it Mattered

Strengthened our southern market penetration and long shelf-life dairy capabilities.

2011

Pride of Cows farm-to-home single origin dairy brand

Why it Mattered

Pioneered India's premium single-origin farm-to-consumer milk model.

2016

Listed on NSE and BSE

Why it Mattered

Enhanced corporate governance, visibility and long-term capital access.

2017

Entered sports nutrition with Avvatar whey protein

Why it Mattered

Became one of India's first dairy companies to produce grass to glass whey protein products

2021

Received strategic investments from IFC and Sixth Sense Ventures

Why it Mattered

Accelerated premiumisation, FMCG scale-up and distribution expansion.

2024

Consolidated revenue crossed the ₹3,000 Crore milestone

Why it Mattered

Reinforced leadership across value-added dairy and nutrition categories.

2025

Expanded portfolio into ready-to-eat sweets, yoghurts, and protein bars

Why it Mattered

Strengthened presence across convenience-led and lifestyle nutrition segments.

2026

Expanded Avvatar portfolio with flavoured creatine and protein bar offerings

Why it Mattered

Accelerated growth of a high-margin new-age nutrition business contributing 10% of annual turnover

From Farmers to Families

Dairy farmers

Our journey begins with a trusted network of over **5 lakh dairy farmers** across key milk-producing regions. Their partnership helps ensure a steady supply of milk while expanding our presence in under-penetrated milk belts.

Village collection centres

Milk is collected through more than **2,400 collection centres** spread across **across 5 states** Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu and Telangana. Increasing automation and traceability help support quality checks covering fat content, purity and filtration.

Chilling centres

We have **300+** BMC/ CCS across key milk producing areas. Soon after collection, milk is rapidly cooled and maintained at approximately **4°C** through a network of chilling centres and bulk milk coolers. This infrastructure helps with the collection of good-quality raw milk.

Transportation

Refrigerated logistics and transportation partners help move milk efficiently from procurement clusters to manufacturing facilities while maintaining defined quality and compliance standards.

Dairy plants

At our facilities in Manchar,Palamaner and Thorandale, milk is processed into a diverse portfolio of dairy and nutrition products through automated operations. Together, the facilities offer a processing capacity of **34 lakh litres per day**.

Packaging

Products are packaged under controlled conditions to preserve freshness, quality and shelf life before being dispatched to market.

Depots and Carrying and Forwarding Network

Finished products move through a network of **29 depots** supported by cold-chain and ambient storage infrastructure.

Distributors

Distribution partners help extend our reach across markets, ensuring efficient product movement across retail and institutional channels.

Retailers and institutional channels

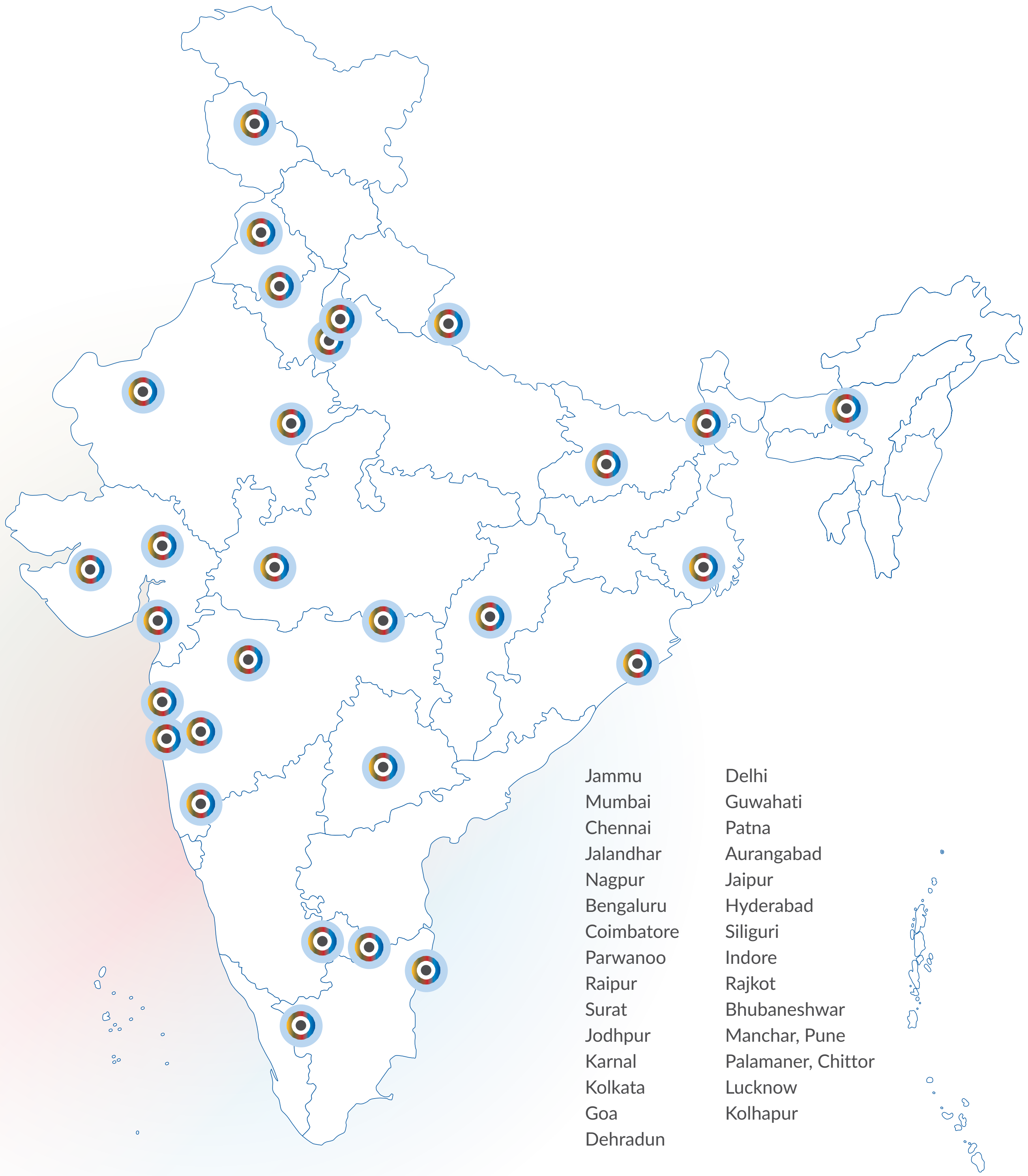
Our products are available through general trade, modern trade, e-commerce and Q-commerce platforms, website and app, while dedicated institutional channels serve hotels, restaurants and cafes/catering.

Consumers

The journey culminates with millions of consumers across the globe. From milk, cheese and ghee to dahi, whey, sweets, yogurts, beverages, milk powders, paneer and other nutrition products, our portfolio supports everyday nourishment.

Building a Footprint that Brings Us Closer to Consumers

Pure Quality in Every Drop, Delivered from Trusted Source to Millions of Homes



- Jammu
- Mumbai
- Chennai
- Jalandhar
- Nagpur
- Bengaluru
- Coimbatore
- Parwanoo
- Raipur
- Surat
- Jodhpur
- Karnal
- Kolkata
- Goa
- Dehradun
- Delhi
- Guwahati
- Patna
- Aurangabad
- Jaipur
- Hyderabad
- Siliguri
- Indore
- Rajkot
- Bhubaneshwar
- Manchar, Pune
- Palamaner, Chittor
- Lucknow
- Kolhapur

The map shown is for illustrative purposes only and is not to scale.

Driving Supply from India's Premier Milk Belts

Pan-India Presence Across

4.6 Lakh

Retail Touchpoints

backed by

4,500+
Distributors

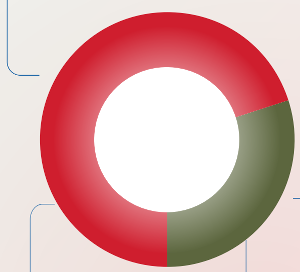
500+
Super Stockists

29
Depots

Our Channel Architecture

B2C
- General Trade
- Modern Trade
- E-Commerce
- Quick Commerce
- Website
- Mobile Application

B2B
- HoReCa
- Institutional
- Large-Format Corporates



70% of business

30% of business

Goodness, Measured: FY26 in Numbers

Powered by trusted brands, deeper market penetration and a growing portfolio of value-added products. Together, these strengths enabled us to deliver healthy growth while continuing to create value across our ecosystem.

Financial performance

₹3,818 Crore
Revenue from Operations

₹310 Crore
EBITDA

8.1%
EBITDA Margin

15%
Growth in Profit Before Tax

₹141 Crore
PAT (bei)

13.9%
ROCE

11.8%
ROE

Manufacturing performance

3
Manufacturing Units Manchar, Thorandale - Maharashtra, Palamaner -Andhra Pradesh.

2 farms 5000+ cows

34 lakh litres per day
Milk handling capacity across operations

110 MT
Cheese and ghee production per day

20 MT
Paneer production per day

10 lakh
litres of Whey processing per day

Growth & performance

60%
Revenue contribution from core categories (ghee, cheese, paneer)

91%
Growth in new age business (Pride of Cows & Avvatar)

10%
Revenue contribution from new age business (Pride of Cows & Avvatar)

149 Crore
cash flow from operations

5%
Volume growth

11%
Value growth

Sustainability performance

50%
By 2030, we plan to source 50% of our overall energy needs-including thermal and electrical energy-from clean and sustainable sources

>10% aim to
optimise water usage by using recycled water

<20% aim to decrease*
in GHG emission

~10% aim to improve
air quality by reducing PM (Particulate Matter)

*For same volume of production, we plan to decrease the GHG emission less than 20%

Our Brands Portfolio

Built on a fully integrated value chain that runs from farm and procurement through manufacturing, distribution and direct-to-consumer channels and a portfolio made from 100% fresh cow's milk, we reach millions of households across 20 consumer categories through four homegrown brands.

Gowardhan

Everyday nutrition, rooted in tradition

— Everyday dairy essentials including ghee, paneer, curd, Flavoured milk and fresh milk, ready-to-eat sweets associated with traditional lifestyle.

Pride of Cows

Farm-to-home, single-origin luxury

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

Go

Modern dairy for fast-paced lives

— A wide range of processed and natural cheese, yogurt, UHT milk and dairy-based beverages associated with modern lifestyle.

Avvatar

India's homegrown sports nutrition

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

Message from the Chairman

Dear Shareholders

> Consumers today are making more informed choices. They are looking for quality, higher nutrition and differentiated products that fit their evolving lifestyles.

Today, as I look at Parag, I see a company that is evolving beyond the traditional boundaries of dairy. Not because our roots have changed, but because the world around dairy is changing. The consumer is changing. The way people think about food and nutrition is changing. Technology is changing the way businesses are built. And with these changes comes an opportunity to shape what the next generation of dairy can be.

For Parag, this evolution is a natural continuation of who we have always been.

Innovation has never been new to us. It has been part of our DNA reflected in the choices we have made, the categories we have entered and our willingness to create propositions that bring dairy into new consumption occasions. Gowardhan, Go, Pride of Cows and Avvatar each represent a different expression of that belief. Together, they reflect our journey from participating in the dairy category to continually expanding our understanding of what dairy can offer.

What is different today is the scale and breadth of the opportunity before us.

The next generation of dairy will be shaped by a consumer who is more informed about what they eat, more conscious about nutrition, more willing to explore new formats and increasingly looking for quality, convenience and trust. The rise of protein and the growing importance of smarter nutrition are part of this larger shift. We believe dairy has an important role to play in this future, and Parag has the experience and capabilities to participate meaningfully in it.

But building the next generation of dairy is not only about what reaches the consumer. It is equally about what we build behind it.

We are progressively strengthening our presence across the value chain building greater capabilities closer to the source while simultaneously moving closer to the consumer. Our approach to backward and forward integration is not simply about creating greater control. It is about creating a more connected business.

When we understand the source better, we can build greater consistency and quality. When we understand our consumers better, we can create products and brands that are more relevant to their lives. When these two ends are connected through our people, technology, manufacturing and capabilities, we are able to create greater value across the chain.

This is the kind of organisation we are working to build one that is connected from source to consumer, and one that can respond with greater agility to the opportunities of tomorrow.

As we grow, our definition of value creation must grow with us.

A business such as ours is part of a much larger ecosystem. Farmers, employees, suppliers, partners, distributors, retailers, consumers and communities are all connected to the journey of Parag. Our success cannot be viewed independently of the strength of this ecosystem.

We therefore believe that building a stronger Parag also means contributing to a stronger ecosystem around us. This includes creating sustainable opportunities for the farming community, supporting farmer welfare, investing in our people and creating greater opportunities for women to participate and progress. It means building partnerships that are meaningful, communities that are stronger and an organisation where people can see a future for themselves.

This is the responsibility that comes with building a company for the long term.

As we look ahead, our ambition is not simply to become larger. It is to become more relevant, more capable and more resilient building on the trust we have earned, the capabilities we have created and the relationships we have built over the years.

We will continue to challenge ourselves to think beyond the conventional, to anticipate where consumers are headed and to create greater value across the ecosystem in which we operate.

Because the next generation of dairy is not about leaving behind what has made Parag what it is today.

It is about taking that foundation forward with greater ambition, greater integration and a broader sense of the value we can create.

We have built our foundation over decades. We now have the opportunity, and the responsibility, to build what comes next.

That, to me, is the essence of the next generation of Parag.

Devendra Shah
Chairman

Message from Managing Director

Dear Shareholders

FY2026 was a year of strong execution and meaningful progress for Parag Milk Foods. Despite a challenging operating environment marked by elevated milk procurement costs and inflationary pressures, we remained focused on strengthening our core businesses, accelerating our New Age Businesses and improving the quality of our growth.

We delivered revenue of **₹3,818 crore, growing 11% year-on-year,** with overall volume growth of 5%. Through calibrated pricing, sharper portfolio management, disciplined promotions and an improved product mix, we were able to navigate input-cost pressures while protecting our business fundamentals. **EBITDA grew 6% to ₹310 crore**, with an EBITDA margin of 8.1%, while **PAT before exceptional items grew 19% to ₹141 crore**. Operating cash flow stood at ₹149 crore and net debt reduced to ₹484 crore, further strengthening our financial position.

Our **core businesses of Ghee, Cheese and Paneer** continued to provide a strong foundation for growth. Core category volumes grew 8% during the year, with value growth of 16%, and these categories contributed approximately 60% of our overall business. **Gowardhan maintained its position in branded cow ghee with a 22% market share**, while **Go Cheese maintained a strong 35% market share in the cheese category**. The performance of these businesses reflects the strength of our brands and their continued relevance to consumers.

At the same time, our **New Age Businesses, comprising Avvatar and Pride of Cows, grew 91% year-on-year and contributed 10% of our overall turnover**. The business crossed ₹100 crore in quarterly revenue, marking an important milestone and demonstrating the growing opportunity in premium dairy, protein and nutrition-led categories.

Innovation remained an important part of our performance during the year, with our **R&D and product development efforts focused on creating new formats, occasions and categories.** For Gowardhan, we introduced the **20 ml ghee sachet**, offering a convenient single-use format for immediate consumption, including with meals, while travelling or eating outside. The **Gowardhan Khushiya Gift Pack** enabled the brand to participate in festive gifting and celebrations. In Cheese, **Cheese Volcano and Cheese Burst** strengthened our offering for the growing QSR and food-service segment.

For **Avvatar**, we expanded our portfolio with **Fuel Whey, Creatine and Performance Whey**, along with travel-friendly and single-serve formats, making protein more convenient across different consumption occasions. We also extended the brand into the fitness lifestyle space through **shakers, gym bags and other merchandise**, strengthening its engagement with the growing community of fitness and nutrition-conscious consumers.

Our brand-building efforts during the year were equally focused on strengthening relevance across markets and consumer segments. We expanded our presence across **General Trade, Modern Trade, Quick Commerce, E-commerce and digital platforms,** supported by television, regional programming, events, exhibitions, on-ground activations and influencer partnerships. Gowardhan continued its association with **Kaun Banega Crorepati,** while platforms such as **Maharashtrachi Hasya Jatra, Bappa Majha on ABP Majha and TV9 Marathi, Durga Puja initiatives in West Bengal, Zee Cine Awards and the E4M Prime Awards** strengthened its national and regional connect. Our wider brand engagement included collaborations with personalities such as **Malaika Arora, Falguni Shane Peacock, Faye D'Souza, Jatin Sapru, Farah Khan, Janhvi Kapoor, Raj Shamani and Soha Ali Khan,** along with disruptive platforms and campaigns including **"What's the Source?", MTV Roadies and Rise & Fall on Amazon**. Together, these initiatives helped our brands participate in a wider range of consumer conversations and occasions.

Our integrated dairy model continues to be an important strength of Parag. It enables us to create value across **milk, cheese, whey protein, lactose and other value-added dairy ingredients**, while giving us the flexibility to develop products across categories and respond quickly to evolving consumer needs. This integration, supported by technology, quality systems and operational capabilities, provides a strong foundation for scaling our businesses.

FY2026 has therefore been a year of **growth across both our established and emerging businesses**. Our core categories continued to deliver, while our New Age Businesses accelerated; our brands expanded their consumer connect; and our portfolio moved into newer formats, occasions and categories.

As we look ahead, the opportunity before us is to build on this momentum and shape a business that reflects where dairy and nutrition are headed. For us, **building the next generation** of dairy means taking the strength of our dairy heritage and extending it into new products, new consumption occasions, new consumers and new categories.

I would like to thank our shareholders for their continued trust and confidence in Parag. I also extend my sincere appreciation to our consumers, customers, business partners, farmers and employees for their continued contribution to our journey.

FY2026 has strengthened our foundation and expanded our possibilities. We look forward to building on this momentum and delivering the next generation of dairy.

Warm regards,

Pritam Shah
Managing Director

The Parag Ecosystem - Our Value-Creation Framework

Inputs | Our Ecosystem | Outputs | Stakeholders Impacted | SDGs Impacted

Inputs

Financial Capital

₹161 crore
Capital raised through preferential warrants to fund growth, capex and debt reduction.

FCCBs were converted into equity, strengthening the capital structure and reducing leverage.

Manufactured Capital

3
state of the art manufafcturing units

2
world class farms

Intellectual Capital

150+
trademarks registered

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

Human Capital

4,236 hrs
Training hours

HR Parivartan Transformation Program implemented across talent, performance and digital HR systems.

Leadership development & capability building through **Mercer Mettl assessments, succession planning and structured learning initiatives.**

Social and Relationship Capital

5 lakh+
farmer procurement ecosystem

2,400+
village collection points

Extensive **omni-channel** distribution investments.

1.66 crore
CSR investment during the year

Natural Capital

8.5 MW
Solar capacity

36 lakh litres per day
Water treatment infrastructure capacity

Our Ecosystem

Integrated Business Model

01 Milk Sourcing & Procurement

02 Processing, Quality & Innovation

03 Product & Brand Portfolio

04 Manufacturing & Packaging

05 Omnichannel Route-to-Market

06 Consumer & Brand Engagement

07 Sustainable Value Creation

Outputs

Financial Capital

₹3,818 Crore
Revenue

₹310 Crore
EBITDA

₹141 Crore
PAT (BEI)

₹149 Crore
Operating cash flow

Stakeholders Impacted: Shareholders, bankers, board of directors, subsidiaries

Manufactured Capital

10+
new SKUs launched

5,000+
cows

One Integrated
dairy ecosystem

500+
SKUs produced

Stakeholders Impacted: Customers, employees, government/ regulatory authorities, waste collection agents

Intellectual Capital

4 iconic brands
i.e. Gowardhan, Go, Pride of Cows, Avvatar

New cheese variant for Food Partners

Launched Protein bars (all flavours), Fuel Whey

100+ fitness, food and lifestyle influencer collaborations for all our brands

Stakeholders Impacted: Customers, employees, peers, board of directors

Human Capital

Zero lost time injury
(LTI) record

20%
Women's workforce representation

78.6%
Retention rate

Stakeholders Impacted: Employees, board of directors, and community

Social and Relationship Capital

34 lakh litre
Milk processing capacity

Milk collection centres in **5 states**

Maharashtra, Andhra Pradesh, Tamil Nadu, Karnataka, Telangana

Stakeholders Impacted: Customers, shareholders, community, government/ regulatory authorities, bankers, peers

Natural Capital

50%+
Electricity from renewable sources

55%
Water reused

20%
decrease in GHG emissions in scope 1&2

Stakeholders Impacted: Community, government/ regulatory authorities, customers, employees, waste collection agents

Stronger Connections to Grow Today and Shape Tomorrow

At Parag Milk Foods, stakeholder engagement goes beyond regular interactions. It is about building meaningful relationships with the people who contribute to our journey and growth. By staying closely connected with our stakeholders, encouraging open dialogue, and actively seeking feedback, we gain a deeper understanding of their expectations and evolving needs. These insights help us make informed decisions, strengthen collaboration and create value that is shared across our ecosystem.

Customers

Why we engage	Stakeholder expectations	How we engage	Frequency
To understand evolving customer needs, enhance satisfaction and build trust in our brands.	High-quality products, responsive service, timely grievance resolution and value-driven offerings.	Customer service helplines, feedback surveys, one-on-one interactions, emails, telephone conversations, physical meetings and virtual interactions.	Fortnightly and as required

Capitals impacted

Subsidiaries

Why we engage	Stakeholder expectations	How we engage	Frequency
To ensure alignment on business priorities, support informed decision-making and drive operational performance.	Strategic direction, performance oversight and timely information sharing.	Periodic reports, emails and review meetings.	Quarterly and as required

Capitals impacted

CAPITALS

Financial Capital | Manufactured Capital | Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Bankers

Why we engage	Stakeholder expectations	How we engage	Frequency
To maintain strong banking relationships and support the Company's growth.	Financial discipline, regulatory compliance, transparency and prudent utilisation of credit facilities.	Periodic meetings, business updates, reports, emails and one-on-one interactions.	As required

Capitals impacted

Employees

Why we engage	Stakeholder expectations	How we engage	Frequency
To create a workplace where people can learn, grow, contribute and thrive.	Learning and development opportunities, career growth, fair performance evaluation, employee well-being, and an inclusive work culture.	Learning and development programmes, performance reviews, town halls, employee engagement surveys, wellbeing initiatives, intranet portal, emails, meetings and notice boards.	Daily and ongoing

Capitals impacted

Shareholders

Why we engage	Stakeholder expectations	How we engage	Frequency
To maintain transparency, build investor confidence and communicate our long-term value growth journey.	Sustainable growth, profitability, shareholder returns, strong governance, effective risk management and ESG performance.	AGM, shareholder meetings, investor and analyst interactions, conference calls, annual reports, quarterly results, stock exchange disclosures, media releases, website and one-on-one engagements.	Quarterly, half-yearly, annually and event-based

Capitals impacted

CAPITALS

Financial Capital | Manufactured Capital | Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Government and Regulatory Authorities

Why we engage	Stakeholder expectations	How we engage	Frequency
To ensure compliance, support responsible business practices and contribute to the development of the dairy sector.	Compliance with applicable laws and regulations, transparent reporting, responsible operations and adherence to industry standards.	Regulatory filings, meetings with officials, industry forums, conferences, formal representations, emails and official correspondence.	Periodically, as prescribed under applicable regulations

Capitals impacted

Communities

Why we engage	Stakeholder expectations	How we engage	Frequency
To contribute to the well-being of communities for inclusive development.	Livelihood enhancement, education, skill development, environmental stewardship and community well-being.	CSR initiatives, NGO partnerships, field visits, community programmes, skill development initiatives and direct interactions.	Periodically

Capitals impacted

Waste Collection Agents

Why we engage	Stakeholder expectations	How we engage	Frequency
To support responsible waste management and ensure compliance with environmental requirements.	Safe handling, timely collection and environmentally responsible disposal of waste.	Emails, operational coordination and need-based meetings.	As required

Capitals impacted

CAPITALS

Financial Capital
Manufactured Capital
Intellectual Capital
Human Capital
Social and Relationship Capital
Natural Capital

Peers

Why we engage	Stakeholder expectations	How we engage	Frequency
To exchange industry insights and stay informed about emerging trends, opportunities and best practices.	Collaboration, knowledge sharing and industry benchmarking.	Industry events, conferences, trade associations, market studies and benchmarking exercises.	As required

Capitals impacted

Board of directors

Why we engage	Stakeholder expectations	How we engage	Frequency
To support effective governance, strategic oversight and informed decision-making.	Timely information, business performance updates, risk oversight and execution of strategy.	Board meetings, committee meetings, board reports, presentations, informal updates, emails and direct interactions.	Quarterly and need-based

Capitals impacted

CAPITALS

Financial Capital
Manufactured Capital
Intellectual Capital
Human Capital
Social and Relationship Capital
Natural Capital

Financial
Capital

Our financial strength enables us to invest in growth, expand our capabilities, support innovation and create enduring value for all stakeholders. Through disciplined capital allocation, strong governance and a balanced approach to risk, we continue to strengthen our business while delivering sustainable and profitable growth.

Foundation	Progress	Impact
We build a financial strength through operational efficiency, disciplined investments, cost optimisation and a healthy balance sheet.	We strengthen our financial position through improved profitability, effective working capital management, sound risk practices and financial discipline.	We create value by investing in future growth, supporting innovation, enhancing returns and generating sustainable outcomes for our shareholders.

Stakeholders Impacted

Shareholders

Creating long-term value through profitable growth, strong governance and open communication.

Employees

Supporting a stable and growing business that creates opportunities for learning, growth and long-term careers.

Government and Regulatory Authorities

Contributing through responsible business practices, timely statutory payments and economic development.

Bankers

Maintaining financial discipline, healthy credit metrics and timely fulfilment of financial obligations.

Performance Snapshot

₹ 3,818 Cr
Revenue

₹ 310 Cr
EBITDA

₹ 135 Cr
PAT

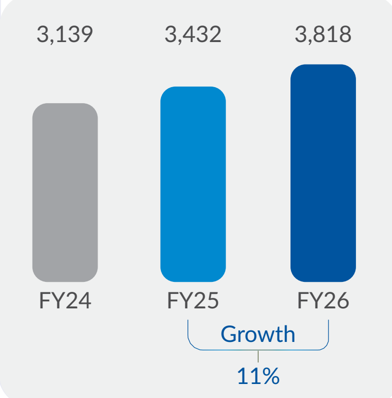
₹ 141 Cr
PAT (BEI)

13.9%
ROCE

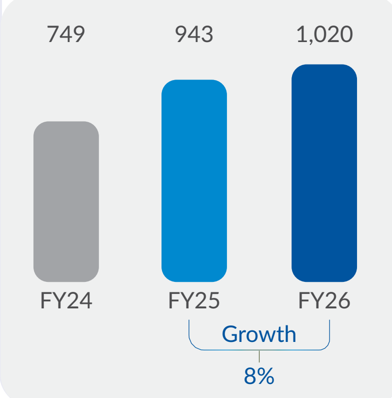
₹ 149 Cr
Cash Flow from Operations

Delivering Sustainable Financial Performance

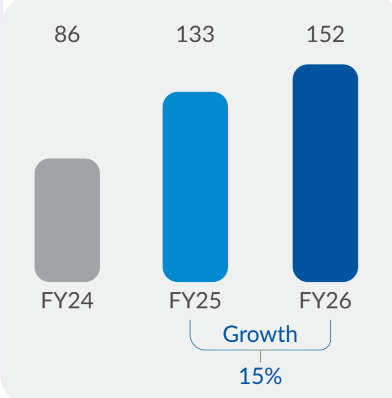
Revenue
(₹ Cr)
3,818



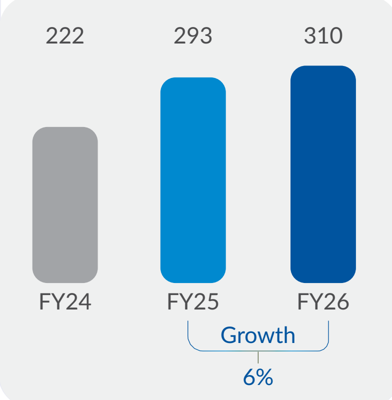
Gross Profit
(₹ Cr)
1,020



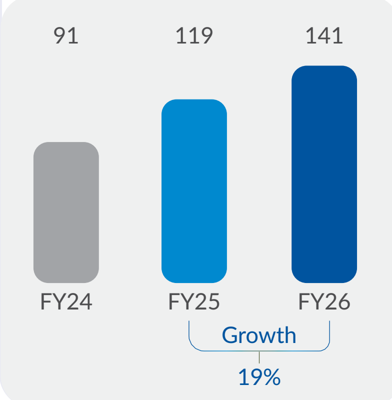
PBT
(₹ Cr)
152



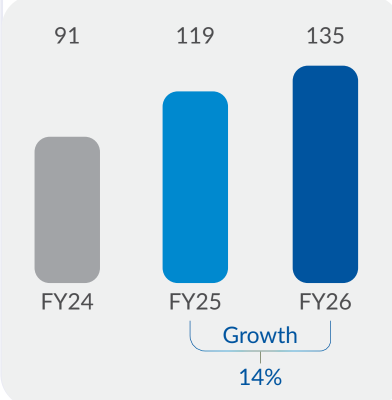
EBITDA
(₹ Cr)
310



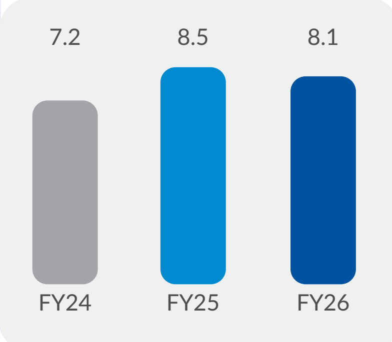
PAT (BEI)
(₹ Cr)
141



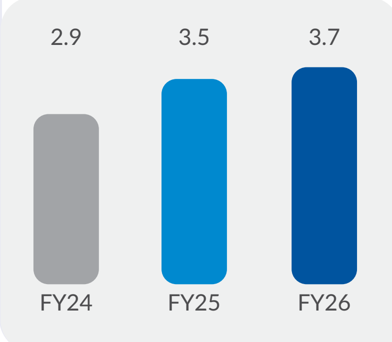
PAT
(₹ Cr)
135



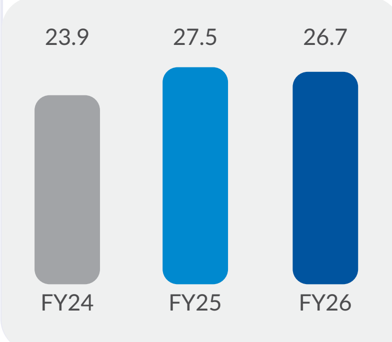
EBITDA Margin
(%)
8.1



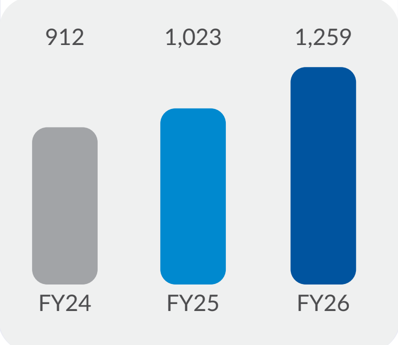
PAT (BEI) Margin
(%)
3.7



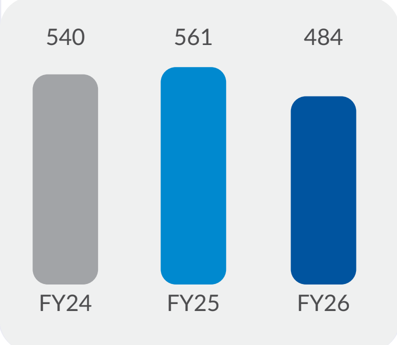
Gross Margin
(%)
26.7



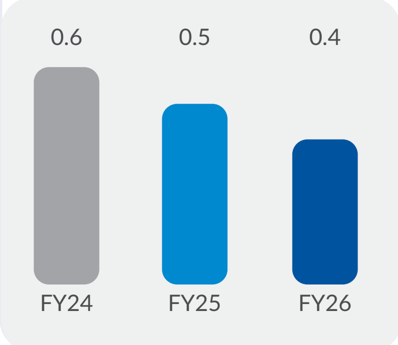
Net Worth
(₹ Cr)
1,259



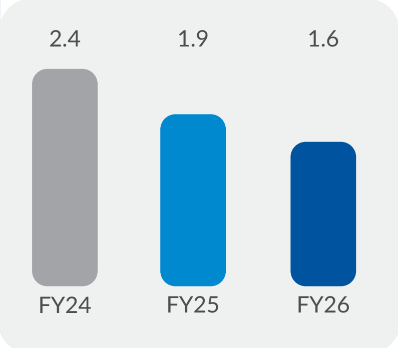
Net Debt
(₹ Cr)
484



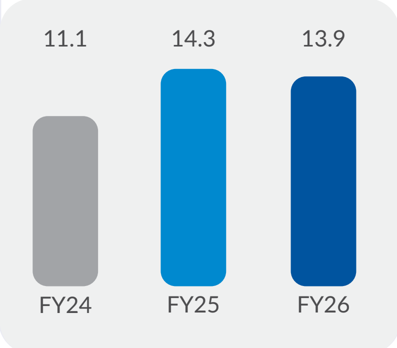
Net Debt / Equity
0.4



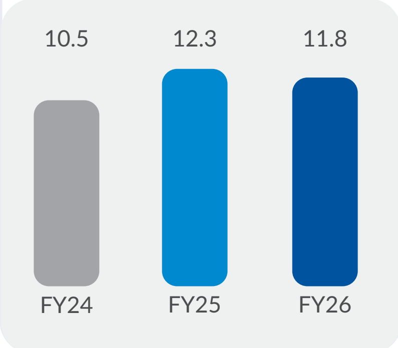
Net Debt / EBITDA
1.6



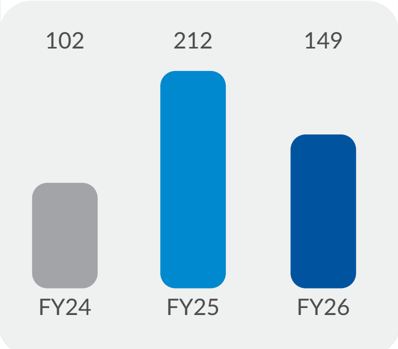
ROCE
(%)
13.9



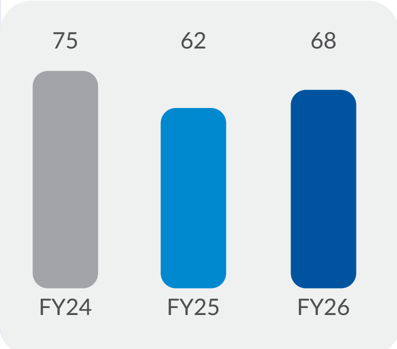
ROE
(%)
11.8



Cash Flow from Operations
(₹ Cr)
149



Net Working Capital
(Days)
68



Note: The above reporting has been prepared by the Company as per internal metrics. The numbers may differ from the financials reported under accounting standards.

How We Create Financial Value

Profitability Growth

Enhancing margins through pricing discipline, cost optimisation and operational excellence

Portfolio Premuimisation

Building a stronger mix through value added and nutrition led categories

Maintaining Capital Discipline

The Company continued to strengthen its capital structure, supported by the infusion of equity through convertible share warrants and the conversion of FCCBs into equity. These measures reinforced the balance sheet, improved the Company's leverage profile and enhanced financial flexibility, positioning the Company well to pursue its growth ambitions and strategic priorities.

Outlook

We enter the year ahead with a clear focus on driving profitable and sustainable growth. Our priorities remain centred on strengthening our consumer portfolio, enriching our product mix and building relevance in health- and nutrition-led offerings, while enhancing efficiency across our operations. As consumer preferences continue to evolve, we will remain focused on delivering products that combine quality, nutrition and innovation while deepening our presence across high-growth categories.

We will continue to strengthen and accelerate our core categories of ghee, cheese and paneer the profitability and cash engines of our business by widening distribution and evolving our route to market across general trade, modern retail and digital commerce. Alongside this, we constantly work on calibrated pricing and disciplined cost management as we navigate evolving market conditions and commodity cycles, while maintaining a healthy balance between growth and profitability, supported by a strong balance sheet, prudent capital allocation and continued financial discipline.

Our New Age business, led by Pride of Cows and Avvatar, will remain a key growth engine, extending our presence in premium, protein and nutrition-led categories and steadily lifting its contribution to the overall portfolio. Together with our integrated business model, trusted brands and a strong dairy ecosystem, this positions us well to participate in the next phase of growth in the Indian dairy and nutrition market. As we move ahead, we will remain focused on improving the quality of our earnings, enhancing returns and strengthening operational performance, while optimising our capital structure building on the equity strengthening achieved during the year to moderate leverage and support growth and creating long-term value for all our stakeholders.

Manufactured

Capital

Our manufacturing ecosystem is designed to unlock the full value of milk by transforming it into a diversified portfolio of dairy, nutrition and protein products. Through advanced processing capabilities, automation and ongoing capacity expansion, we continue to strengthen a manufacturing platform that enhances efficiency, upholds quality and supports long term growth.

Foundation	Progress	Impact
We have established an integrated manufacturing ecosystem comprising specialised production facilities, advanced processing capabilities, packaging infrastructure and cold chain networks.	We continue to enhance our manufacturing strength through automation, AI tools, brownfield expansion, technology integration and continuous process optimisation.	We create sustainable value by improving operational efficiency, enhancing product quality, supporting business continuity and enabling profitable growth.

Stakeholders Impacted

Customers

Delivering safe, high-quality dairy and nutrition products through reliable manufacturing processes and stringent quality standards.

Employees

Creating safe, technology-enabled workplaces that support learning, capability building and operational excellence.

Government and Regulatory Authorities

Maintaining high standards of food safety, product quality and regulatory compliance through disciplined manufacturing practices.

Board of Directors

Supporting strategic decision-making through scalable infrastructure, strong manufacturing capabilities and continuous investments in operational efficiency.

Our Manufacturing Footprint

Manchar

Maharashtra

Manchar is our major manufacturing facility and the heart of our operations. The facility manufactures ghee, cheese, paneer, milk, curd, yoghurt, lactose and whey proteins. It also supports the production of Avvatar products, managing the full journey from raw material to finished product across our value-added dairy and dairy-ingredient categories.

Palamaner

Andhra Pradesh

Palamaner facilities supports production of UHT milk, ghee, Ready to drink protein, flavoured milk /beverage, nutritional powder for both domestic and international market. During the year, we installed a packaging line at the facility, supporting high-quality beverage production and strengthening our presence in long-shelf-life dairy categories.

Thorandale

Maharashtra

The Thorndale facility supports the production of ready-to-eat sweets. During the year, we strengthened the facility with a fully automated chikki line, cheese production and upgraded cold room infrastructure, enhancing productivity and operational efficiency.

Strengthening Manufacturing Capabilities

During the year, we continued to strengthen our manufacturing capabilities through targeted capacity expansion and process enhancement initiatives across categories. By expanding capacity ahead of demand, we are creating the physical runway to sustain double-digit growth in our foundational categories, scale our fast-growing new-age nutrition business and progressively enrich our product mix in favour of higher-margin offerings.

Focus Areas

- Cheese capacity expansion
- Refined lactose capabilities
- Whey processing expansion
- Utility and infrastructure strengthening
- Maintenance, hygiene and food-safety capex

Supporting Innovation Through Manufacturing

Innovation begins long before a product reaches the market. Our New Product Development, R&D and project teams work closely together to enhance manufacturing capabilities, improve processes and support the development of future-ready products.

This collaboration translated into tangible outcomes during the year. We commissioned a fully automated chikki line, enabling us to scale our ready-to-eat sweets range with greater consistency and efficiency.

Advancing Operational Excellence

Automation and technology continue to play an important role in the way we manufacture and package our products. By integrating advanced systems across operations, we are improving process consistency, enhancing efficiency and supporting the delivery of high-quality products at scale. These initiatives also help us strengthen productivity, optimise resource utilisation and build greater agility across our manufacturing network.

Key Initiatives

- Automated chikki production
- Process upgradation and use of AIPackaging automation initiatives

Advancing Packaging Capabilities

Packaging is often the first interaction consumers have with our products. Beyond protecting quality and freshness, it plays an important role in convenience, product appeal and the overall brand experience. As our portfolio continues to expand across premium dairy, nutrition and value-added categories, we are investing in packaging solutions that help us meet evolving consumer expectations while supporting efficiency across our operations.

Key Highlights

- Individual Quick Freezing (IQF) cheese packaging
- Packaging automation initiatives
- Packaging solutions for premium & value-added product categories

Quality at the Core

Quality and food safety are fundamental to the way we operate. From sourcing of raw material to the delivery of finished products, we maintain rigorous quality standards across every stage of the manufacturing process. Our quality systems and control mechanisms help ensure consistency, product integrity and compliance with applicable food safety requirements.

Our Quality Standards

- HACCP-based systems
- Dedicated quality and food safety team
- Advance analytical testing laboratory
- Supplier audits and raw material monitoring
- Process control through SCADA based operations

Enabling an Integrated Cold Chain

Maintaining freshness and quality requires seamless coordination across every stage of the value chain. Our integrated cold-chain infrastructure connects manufacturing, storage and inventory management processes, enabling the efficient movement of products from production facilities to markets. Supported by a network of owned and third-party warehousing infrastructure, this ecosystem helps preserve product quality, maintain storage standards and ensure timely product availability across regions.

Leveraging Our Integrated Dairy Ecosystem

The close collaboration between our manufacturing facilities, technical teams and product development functions helps accelerate innovation, optimise resources and strengthen process capabilities.

Milk Protein Concentrate (MPC), Ready to Drink protein and Pharma Grade Lactose capability development underway.

Sustainable Dairy: Healthy Cows, Thriving Farmers, Greener Planet

Sustainable dairy begins with healthy cows, empowered farmers and responsible practices. We work closely with local farmers to promote scientific dairy-farming practices that improve milk quality, enhance farm productivity and reduce environmental impact.

Our approach focuses on animal welfare, tailored nutrition and green technologies to create value across the dairy ecosystem:

- Improving Cow Health & Longevity
- Enhancing Milk Yield & Farm Profitability
- Reducing Environmental Impact

Promoting Sustainable Use of Resources

Efficient use of resources remains an important part of our manufacturing approach. Across our operations, we continue to focus on reducing resource intensity, improving efficiency and exploring cleaner sources of energy.

Focus Areas

- Solar Energy Utilisation
- Biogas-based energy use
- Resource efficiency initiatives
- Circular utilisation practices

30%
Power sourced through solar partnerships

55%
Water generated within operations being reused

132/33KV
Dedicated Power Line connecting the substation to the manufacturing facility

ETP Biogas
Utilised in canteen operations

Looking Ahead

We will continue to strengthen our manufacturing capabilities through targeted investments in capacity expansion, process enhancement and technology integration. Projects, currently underway across value-added dairy, protein and nutrition categories, will further expand our manufacturing strengths, improve operational efficiency and create greater flexibility across our product portfolio.

Intellectual

Capital

Our knowledge, expertise and spirit of innovation help us develop differentiated dairy and nutrition products to meet evolving consumer needs. Through a strong R&D culture, deep domain expertise and collaborative partnerships, we continue to expand our innovation pipeline and build intellectual assets that support sustainable competitive advantage.

Foundation	Progress	Impact
We build our intellectual strength through strong R&D capabilities, experienced teams and a culture of learning and knowledge sharing.	We deepen our expertise through continuous learning, innovation, digital tools and a disciplined approach to product and process development.	We create value by delivering innovative, science-backed and consumer-focused products that enhance nutrition and strengthen our brands.

Stakeholders Impacted

Customers

Access to high-quality and innovative dairy and nutrition products that cater to evolving needs, preferences and lifestyles.

Employees

Opportunities to learn, build new skills and contribute to innovation that creates meaningful impact.

Peers

Knowledge sharing and industry collaboration that support innovation and contribute to the growth of the dairy sector.

Our Approach

- Embedding legal safeguard at every stage
- Control on proprietary knowledge
- Investment in automated dairy infrastructure
- Advanced scientific research in feed and sustainability
- Knowledge led Foundation

Brand Building and Innovation

We continued to strengthen our brand portfolio through integrated marketing campaigns, digital engagement and consumer-focused activations that reinforced the distinct identity and positioning of each of our flagship brands while deepening consumer connect across categories.

Gowardhan

Strengthened brand visibility and consumer recall through high-impact content led advertising. During the year, the brand deepened its festive and regional connect and sustained a strong presence across high-TRP entertainment properties, complemented by recognition for its marketing impact.

Key initiatives

- Kaun Banega Crorepati association - 4th consecutive year
- Presence on high-TRP shows - Maharashtrachi Hasya Jatra,
- "Bappa Majha" activation on ABP Majha and TV9 Marathi
- Durga Puja 2025 pandal sponsorships (West Bengal) and Chhath Puja activation (Uttar Pradesh)
- Exhibition presence - World Food Exhibition, Anuga, Indus Food, Catering Expo & Décor, World Mithai Namkeen Convention & Expo, Jaipur Fair
- Festive and regional print campaigns

Go

Enhanced consumer engagement through television integrations, digital campaigns and trade activations, helping strengthen its connection with younger consumers and cheese enthusiasts, while extending its B2B and export outreach.

Key initiatives

- Zee Cine Awards association, Superdance
- Indus Food participation (B2B / export outreach)
- Engage with celebrity influencers like Farah Khan, Meghana to name the few

Pride of Cows

Reinforced its premium, traceable and single-origin proposition through the "What's the Source?" campaign, supported by digital storytelling, consumer engagement initiatives and app-led interactions.

Key initiatives

- "What's the Source?" campaign
- Personality associations (Faye Dsouza, Jatin Sapru, Soha Ali Khan, Raj Shamani)
- Designer/celebrity associations (Ami Patel, Falguni Shane Peacock, Manish Malhotra)
- Celebration gift pack launch

Avvatar

Expanded its presence in the sports nutrition segment through celebrity-led campaigns, high-visibility platform associations, fitness-influencer collaborations and digital-first activations, helping strengthen brand awareness and consumer engagement.

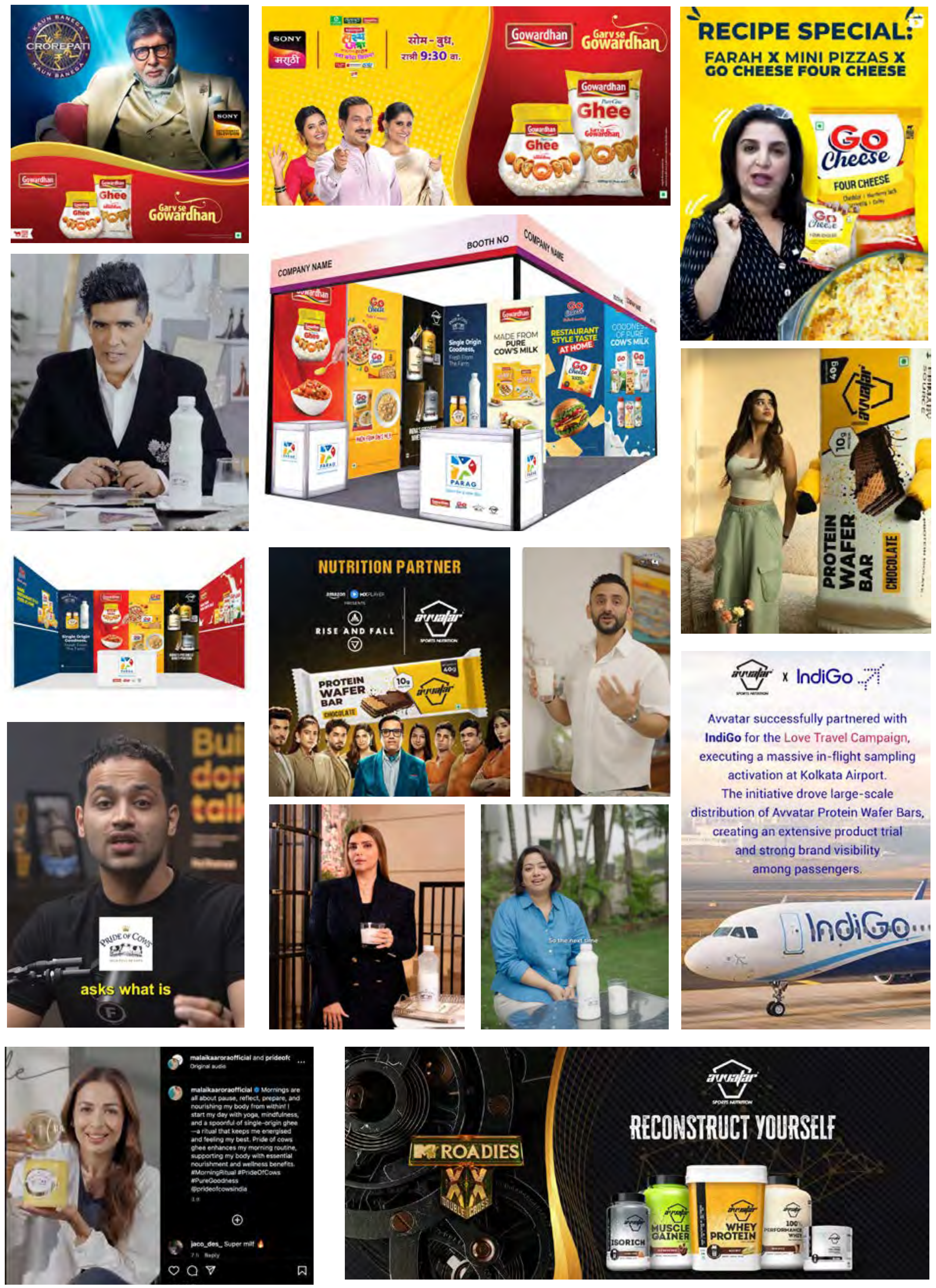
Key initiatives

- Janhvi Kapoor campaign for the Avvatar protein wafer bar (46.5M Instagram views)
- "Rise and Fall" TV show association (Amazon Prime and MX Player)
- MTV Roadies platform association (confirm FY26)
- 100+ fitness and lifestyle influencer collaborations
- Digital-first / e-commerce-led campaigns

Looking Ahead

We will continue to strengthen our intellectual capital through investments in innovation, technical expertise and consumer-led product development. Our focus remains on expanding our portfolio across value-added dairy, protein and nutrition categories while further enhancing our manufacturing and packaging capabilities.

Campaign Snapshots



Human
Capital

Our people are at the heart of everything we do. We invest in their well-being, growth and development to build an engaged workforce that supports innovation, operational excellence and long-term success. As a sales-led business operating across three manufacturing locations and a nationwide distribution footprint, the quality, stability and productivity of our workforce directly shape our ability to serve consumers, partners and shareholders. During the year, we therefore sharpened our focus on three priorities: retention of talent, raising workforce productivity and strengthning our leadership pipeline.

Foundation	Progress	Impact
We build a strong foundation by attracting the right talent, promoting a diverse workplace and creating a safe, respectful and high-performance culture.	We strengthen our people and capabilities through continuous learning, leadership development, well-being initiatives and meaningful engagement that drives productivity and innovation.	We create long-term value by empowering our people to excel, collaborate and innovate, building a workforce that supports our strategic priorities and future growth.

Stakeholders Impacted

Employees

A safe, inclusive and supportive workplace that enables learning, growth, well-being and career advancement.

Board of Directors

A skilled, engaged and capable workforce that strengthens operational performance and supports long-term growth.

Attracting the Right Talent

The structured 30/60/90-day engagement framework allows HR and business leaders to stay closely connected with new hires, ensuring timely support and a smoother transition into the organisation.

Key Highlights

2,403 Consolidated on-roll manpower

21 days Induction Programme for Sales Employees

10 days Induction Programme for Support Functions

Retaining and Engaging Our Talent

We believe that transparent disclosure of workforce movement is essential to a credible account of our human capital. During the year, turnover was largely concentrated within our frontline sales workforce, which represents the largest employee group in our organisation.

Key Highlights

92% Retention Among Our Permanent Workers

65% Retention among our Permanent Employees

Building Capabilities for Tomorrow

As a sales-driven organisation, we continue to strengthen commercial capabilities through structured programmes covering product knowledge, distributor management, customer engagement and financial awareness.

Key Highlights

2,403 Covered Under Employee Training

1.76 Average Learning Hours Per Employee

21% Gen-Z

57% Millenials

Developing Future Leaders

Our succession planning approach spans the complete cycle from talent identification to deployment, supported by structured review mechanisms.

Key Highlights

Quarterly Performance Reviews for Sales Function

Annual Performance Review for Support and Plant Functions

4.5% Internal Promotions

Creating a Culture of Recognition

Our recognition programmes encourage employees to perform at their best while providing opportunities for growth, motivation and deeper engagement across the organisation. These initiatives also play an important role in strengthening employee retention.

Key Highlights

Monthly Recognition Programmes for Support Functions

Quarterly Sales Incentive Programmes

810 Employees Recognised or Awarded during FY26

Enabling Safe and Supportive Workplace

Employee welfare and safety remain an integral part of our business. Awareness around health, safety and quality is reinforced through structured training programmes and regular monitoring of safety, quality and compliance practices across our operations.

Key Highlights

10% Diversity Ratio

4,236 Safety Training Hours

Promoting an Inclusive Workplace

We promote an inclusive workplace where individual differences are respected and valued, and where employees have equitable opportunities to learn, contribute and progress.

Key Highlights

666 Women Employees and Workers

100% Employees Trained on DEI Awareness

Male 80%
Female 20% Workforce by Gender

38 Average Age in Years

Driving HR Transformation

Through our **HR Parivartan** initiative, we are building an integrated digital HR ecosystem that simplifies employee processes, strengthens governance and enables data-driven workforce management.

Key Highlights

Introduced onboarding kits

Digitised HR Process journey in FY 26

Looking Ahead

We will advance our people agenda across four priorities.

1. Improving retention
2. Enhancing productivity
3. Developing our leadership pipeline
4. Advancing workplace excellence

Social and Relationship Capital

From farmers at the beginning of our value chain to consumers who choose our brands every day, we believe lasting success is built on trusted relationships. These relationships are not only a social responsibility but a core source of competitive advantage: our farmer network secures a reliable, high-quality milk supply; our distribution network converts that supply into pan-India availability and revenue; and our brands turn availability into market leadership and consumer loyalty.

Foundation	Progress	Impact
We build lasting relationships through a farmer-first procurement network, a wide distribution footprint, trusted consumer brands and responsible community engagement.	We deepen these relationships through farmer welfare initiatives, distribution expansion, responsive consumer service and focused social investments in education, child welfare and community well-being.	We create long-term value by improving rural livelihoods, expanding access to nutrition, earning consumer trust and supporting inclusive community development.

Stakeholders Impacted

Consumers

Access to safe, high-quality and nutritious dairy and nutrition products, supported by responsive service, transparent labelling and trusted brands.

Farmers

Assured milk procurement, transparent and timely payments, cattle-care support and knowledge-sharing that help improve rural livelihoods and incomes.

Channel Partners

Reliable business opportunities, business support and long-term partnerships that enable shared growth across markets.

Communities

Inclusive development through investments in education, child welfare and community well-being, supported by responsible and locally engaged operations.

Creating Shared Value with Communities

We believe that long-term business success goes hand in hand with the well-being of the communities around us. Guided by our Corporate Social Responsibility (CSR) Policy, formulated in accordance with Section 135 of the Companies Act, 2013, our community initiatives focus on strengthening rural livelihoods, improving access to education and healthcare, empowering women and supporting inclusive socio-economic development. Through these interventions, we aim to create lasting impact while contributing to India's broader development and self-reliance agenda.

Zero

Community Grievances Reported

Empowering Women

We encourage women's economic participation by supporting dairy cooperatives and livelihood initiatives that promote financial inclusion, entrepreneurship and greater participation in decision-making across rural communities.

Strengthening Rural Livelihoods

We support rural entrepreneurship by encouraging modern dairy farming practices, scientific heifer calf rearing and genetic conservation. These initiatives help improve livestock productivity, enhance farmer incomes and strengthen the long-term sustainability of the dairy sector.

Strengthening Rural Infrastructure

Investments in village-level milk collection and processing infrastructure improve operational efficiency, reduce post-harvest losses and reinforce the dairy value chain while creating long-lasting benefits for local communities.

Advancing Education & Skill Development

Our education and skill development programmes equip rural youth with knowledge and practical skills that improve employability, encourage self-reliance and create opportunities for sustainable livelihoods.

Promoting Health & Nutrition

We support community well-being through medical camps, milk distribution for children with disabilities and nutrition programmes, including food distribution in Zilla Parishad schools, helping improve health outcomes in underserved communities.

Nurturing Our Farmer Network

Our relationship with farmers extends well beyond milk procurement. We invest in the well-being of our farmers and their cattle through assured milk collection, transparent and timely payments, free cattle vaccination and structured workshops on soil and cattle health. These interventions help improve herd productivity, enhance milk quality and build lasting relationships with our farming communities.

This farmer ecosystem is the foundation of our business. A reliable, traceable and quality-assured milk supply underpins our entire product portfolio and enables our strategic shift towards higher-value dairy and nutrition categories, with liquid milk serving as our procurement anchor.

Our Farmer Services

Where the farm-to-home journey begins

Bhagyalaxmi Dairy Farms, located in Manchar, Maharashtra, is the foundation of Parag's farm-to-consumer ecosystem. Built around animal welfare, quality and responsible dairy farming, the farm integrates scientific management with advanced dairy practices and efficient resource utilisation. Its single-origin model enables greater control and traceability of milk quality from source to consumer. With technology, sustainability and innovation at its core, Bhagyalaxmi continues to shape Parag's vision for the next generation of dairy.

Single-Origin Premium Dairy → **Extending value beyond the farm**

2005
Established

500+ acres
Farm footprint

5,000+
HF Cows

8 cities
D2C delivery network

1,00,000+
Households served

Taking the model forward

Swarnabhoomi is the next extension of Parag's dairy farm ecosystem, combining scale, technology and sustainability to build a future-ready, integrated model of responsible dairy farming.

~500 acres
Swarnabhoomi expansion

~15,000 cows by 2030
Swarnabhoomi vision

Bhagyalaxmi Bioscience Division

Turning knowledge into shared value

Bhagyalaxmi Bioscience Division promotes healthier soils and more sustainable agriculture by advancing awareness and adoption of organic fertilisers and responsible farming practices. Through farmer education, workshops and knowledge-sharing initiatives, the division empowers farming communities with practical solutions for improving soil health, productivity and long-term sustainability, extending Parag's commitment beyond dairy to agriculture.

2015
Division established

600 m^3
Biogas plant capacity

- Advancing feed science and productivity
- Turning farm by products into farmer value
- Putting waste to work through clean energy

R&D

Cattle feed formulations, cultures and enzymes to improve milk yield and animal well-being.

Circular waste model

Dairy waste and cow dung converted to organic manure and soil enhancers for farmer partners.

Our Bhagyalaxmi Dairy farms work on 3 R model

Reduce | **Recycle** | **Reuse**

Natural Capital

We believe in responsible use of natural resources and in minimising our environmental footprint across our value chain. Through efficient resource management, renewable energy adoption, waste reduction and climate action, we strive to protect the environment and create a positive impact for future generations.

Foundation	Progress	Impact
We build a strong foundation through responsible sourcing, efficient use of natural resources and adoption of cleaner technologies across our operations.	We improve our environmental performance through better water and energy efficiency, waste reduction, renewable energy adoption and climate-related initiatives.	We create long-term value by protecting ecosystems, advancing circularity and driving climate-positive actions to build a more sustainable future.

Stakeholders Impacted

Communities

A cleaner, healthier environment and responsible natural resource management for a sustainable future

Employees

A safe and green workplace that promotes well-being and environmental stewardship

Government and Regulatory Authorities

Compliance with environmental regulations and support for national sustainability and climate goals

Waste Collection Agents

Responsible waste management practices through segregation, recycling and recovery

Enhancing Environmental Performance

During the year, we advanced renewable energy adoption, refrigeration efficiency projects, diesel reduction initiatives and equipment modernisation across our operations.

At the same time, our environmental management framework supports responsible water use, wastewater treatment and compliance with applicable regulatory requirements. Sustainable packaging initiatives, including reusable PET bottles for Pride of Cows, further reinforce our commitment to reducing environmental impact.

Accelerating the Energy Transition

As we have met our renewable electricity goal early, we are on track towards our next phase of clean energy growth.

The energy potential of biogas produced from the cattle farms and the Effluent Treatment Plants is now being increasingly brought into the energy economy, and thus, conventional fuels are being saved.

Key Highlights

45%
Usage of clean renewable energy in operations

75%
Renewable Energy Target by 2030

10%
LPG Consumption Reduction Through Biogas Utilisation

60 to 20
Industrial Cylinders per Month*

*instead of LPG we have shifted to Biogas generated from ETP hence the industrial cylinder requirement reduce to 60 to 20

Strengthening Water Stewardship

Water is a precious natural resource for a dairy enterprise. We are still working hard to recover and reuse water at the highest possible rate for our manufacturing activities, through specific treatment and recycling facilities.

This water is used for replenishment in Cleaning-in-Place (CIP) systems, in cooling towers, in boiler operations, in condensers and even in gardening, thereby decreasing the amount of fresh water consumed.

Key Highlights

55%
Water Reuse Across Operations

33,750 MW per year
Renewable Energy Target by 2030

Building a Circular Waste Ecosystem

We see waste as a resource and are further developing the circular economy in our activities. Organic wastes and sludge from ETPs and cattle farms are used in Bhagyalaxmi Dairy Farm activities, and biogas produced in ETPs and cattle farms is added to our waste-to-energy initiatives.

Authorised recycling systems and sustainable packaging measures support our packaging waste management practices.

Looking Ahead

Sustainability efforts will be further enhanced in the implementation of more renewable energy, the reuse of water, and biogas across the operations and through technology and infrastructure improvements.

We continue to work towards establishing a resilient and circular operating model that will enable our business to grow whilst having a positive environmental impact.

The Recognition We Earned

Every recognition tells a story of the people, partnerships and brands that make Parag what it is today. While we value these honours, what matters most is the trust they represent.

business today

Akshali Shah
Executive Director

The most Powerful Women in Business

Her journey as Executive Director reflects years of dedication, perseverance and leadership built on trust.

Being recognised among Business Today's Top 100 Most Powerful Women in Business is a testament to her contribution, vision and ability to lead with purpose. This recognition celebrates her impact on the business and the example she continues to set for aspiring leaders. It reinforces the belief that meaningful leadership is shaped not just by ambition, but by consistency, integrity and action.

50 Most Influential Women
in Advertising, Media, and Marketing, Impact

Nava Bharat Inspiring Women
Summit 2025

Women Entrepreneur of the year,
2023

Brand and marketing excellence

Best Use of Traditional Platform – Gowardhan
BW Retail Reboot Awards 2024

Grocery Brand of the Year – Gowardhan
BW Retail Reboot Awards 2024

D2C Company of the Year – Pride of Cows
BW Retail Reboot Awards 2024

Fitness & Sports Brand of the Year – Avvatar India
BW Retail Reboot Awards 2024

Pride of Cows has been awarded
The Best Customer Retention Initiative
Of the Year 2025.

Quality and product excellence

Certificate of Appreciation for Excellence in Whole Milk Powder Standards
Bureau of Indian Standards (BIS)

Operational safety excellence

CII Andhra Pradesh Safety Excellence Award
Confederation of Indian Industry (CII)

Board of Directors

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

Mr. Pritam Shah
Managing Director and Interim CFO
SR RM F M

Ms. Akshali Shah
Executive Director
A SR RM CSR F M

Dr. Dnyanesh Darshane
Independent Director
A SR RM NR CSR

Mr. Amitabha Mukhopadhyay
Independent Director
A RM NR

Mr. Milind Patil
Independent Director
A

Ms. Namrata Garud
Independent Director
RM NR CSR

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

Corporate Information

(As on May 7, 2026)

BOARD OF DIRECTORS

Executive Directors

Mr. Devendra Shah (Executive Chairman)
Mr. Pritam Shah (Managing Director)
Ms. Akshali Shah (Executive Director)

Independent Directors

Mr. Dnyanesh Darshane
Mr. Amitabha Mukhopadhyay
Mr. Milind Patil
Ms. Namrata Garud

Non-Executive (Non-Independent) Director

Mr. Nikhil Vora

Chief Financial Officer

Mr. Pritam Shah
(Interim Chief Financial Officer)

Company Secretary & Compliance Officer

Mr. Virendra Varma

BOARD COMMITTEES

Audit Committee

Mr. Amitabha Mukhopadhyay (Chairman)
Ms. Akshali Shah (Member)
Mr. Milind Patil (Member)
Mr. Dnyanesh Darshane (Member)

Nomination And Remuneration Committee

Mr. Dnyanesh Darshane (Chairman)
Mr. Devendra Shah (Member)
Mr. Amitabha Mukhopadhyay (Member)
Ms. Namrata Garud (Member)

Stakeholders Relationship Committee

Mr. Dnyanesh Darshane (Chairman)
Mr. Devendra Shah (Member)
Mr. Pritam Shah (Member)
Ms. Akshali Shah (Member)

Risk Management Committee

Mr. Dnyanesh Darshane (Chairman)
Mr. Amitabha Mukhopadhyay (Member)
Ms. Namrata Garud (Member)
Mr. Pritam Shah (Member)
Ms. Akshali Shah (Member)

Corporate Social Responsibility Committee

Ms. Akshali Shah (Chairperson)
Mr. Devendra Shah (Member)
Ms. Namrata Garud (Member)
Mr. Dnyanesh Darshane (Member)

Finance Committee

Mr. Devendra Shah (Chairman)
Mr. Pritam Shah (Member)
Ms. Akshali Shah (Member)

Management Committee

Ms. Akshali Shah (Chairperson)
Mr. Devendra Shah (Member)
Mr. Pritam Shah (Member)

MANAGEMENT TEAM

Mr. Rahul Kumar Srivastava
(Chief Operating Officer)

Mr. Ankit Jain
(Chief Strategy Officer)

Mr. Subhodeep Roy
(Chief Business Officer)

Mr. Rakesh Kothari
(President - Finance & Accounts)

Mr. Sachin Shah
(Head - Southern Operations)

Mr. Sanjay Nakra
(Head - Plant Operations, Palamaner)

Mr. Sanjay Mishra
(Head - Plant Operations, Manchar)

Mr. Ajay Singh Bhadoria
(Head - Business, Fresh Division)

Mr. Ravindra Gupta
(Head - Production & Quality)

Mr. Sanjeev Jain
(Head - Exports)

Mr. Dhaval Pandya
(Head - Accounts & Control)

Ms. Vami Doshi
(Head - Business Finance)

Mr. Satya Dash
(Head - IT)

Mr. Chandrakant Kamane
(Head - HR)

Mr. Anirban Roy
(Head- Supply Chain & Procurement)

Investor Desk

Mr. Brian D'Penha (Head - Investor Relations)

Corporate Communications

Ms. Pournima Surve
(Head - Corporate Communication and Public Relations)

STATUTORY AUDITOR

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

INTERNAL AUDITOR

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

SECRETARIAL AUDITOR

M/s. N L Bhatia & Associates
Company Secretaries
(UIN: P1996MH055800)

COST AUDITOR

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

BANKERS/FINANCIAL INSTITUTIONS

Union Bank of India
Punjab National Bank
Karnataka Bank
SVC Co-Operative Bank
Bajaj Finance Limited

REGISTRAR & TRANSFER AGENT

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

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

PLANT LOCATIONS

Manchar Plant

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

Palamaner Plant

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

Thorandale Plant

Thorandale, Taluka - Ambegaon, District - Pune, Maharashtra - 410 504

Management Discussion and Analysis

Economic Environment

Global Economic Overview

The global economy remained resilient during CY 2025 despite continued uncertainty surrounding trade and policy developments. Global GDP growth remained steady at 3.5%, while global inflation reduced from 5.8% in CY 2024 to 4.1% in CY 2025. Emerging Market and Developing Economies (EMDEs) sustained growth momentum, supported in part by stronger net exports and increased investment activity. At the same time, global trade policies increasingly reflected security and geopolitical considerations rather than efficiency and multilateral cooperation. Having absorbed the impact of higher trade barriers and elevated uncertainty in the previous year, the global economy now faces renewed challenges following the outbreak of conflict in the Middle East.

Looking ahead, global economic conditions are expected to remain broadly stable, with growth projected at 3.0% in CY 2026 and 3.4% in CY 2027. However, risks from geopolitical tensions and potential trade disruptions persist. Timely and coordinated policy responses by governments across the world are expected to remain critical to managing evolving macroeconomic challenges in the period ahead.[1]

IMF July 2026

*Projected

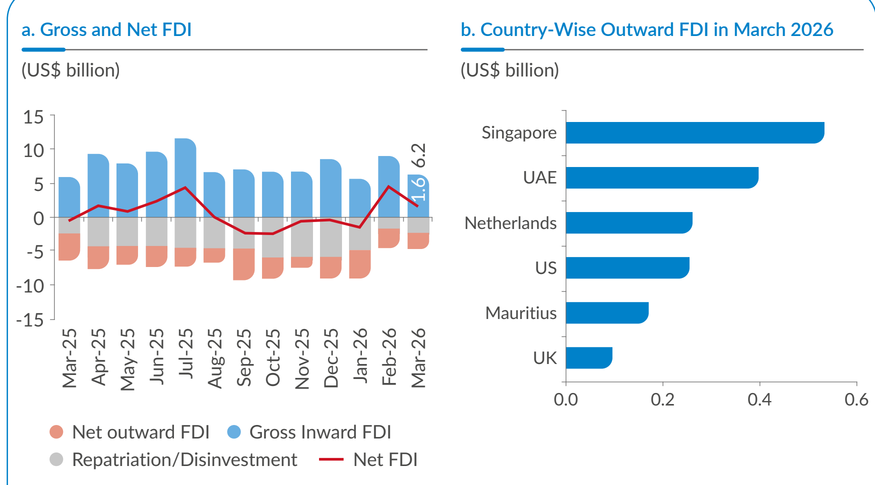
Indian Economic review

The Indian economy demonstrated strong resilience during FY 2026, with real GDP growth accelerating to 7.7% , despite heightened global uncertainty.[2] India retained its position as one of the fastest-growing major economies for the fourth consecutive year. Growth in the Indian economy was primarily driven by robust domestic demand. Private Final Consumption Expenditure (PFCE) remained strong, while investment activity continued to gain traction. Household consumption served as a key anchor of demand, supported by both urban and rural markets. Lower income tax and GST rates further supported consumption, while higher GST collections reflected sustained economic activity. On the supply side, manufacturing activity strengthened and the services sector continued to be a major contributor to overall economic expansion.

The Government of India supported economic expansion through timely policy interventions, including GST rationalisation and regulatory reforms aimed at improving the ease of doing business. In response to global uncertainties, the focus has remained on strengthening domestic growth drivers, enhancing resilience to external shocks and diversifying exports to mitigate external sector risks. On the external financing front, India continued to remain an attractive destination for greenfield FDI projects, supported by strong growth in gross foreign direct investment. During 2025-26, both gross and net FDI inflows recorded an increase over the previous year.

Looking ahead, the Indian economy is expected to maintain its growth momentum, with real GDP growth projected at 6.9 % in 2026-27. This outlook is supported by strong domestic demand, stable inflation and prudent macroeconomic policies. The Union Budget 2026–27 introduced the 'Kartavyas' framework, prioritising accelerated growth through enhanced productivity, improved competitiveness and greater resilience to global volatility. FY 2027 is likely to represent a phase of economic adjustment, with businesses and households adapting to evolving economic conditions, while domestic demand and investment activity continue to strengthen.[3]

Chart IV.10: Net FDI Remained Positive in March



Source: RBI Bulletin May 2026

Industry's Performance

Fast Moving Consumer Goods (FMCG)

Global FMCG Market

The Fast-Moving Consumer Goods (FMCG) sector comprises products that are purchased frequently and form part of consumers' daily or weekly requirements, including food, beverages and household essentials. The sector remains one of the most dynamic sectors globally, supported by steady demand for essential goods. The global FMCG market was valued at USD 8,723* billion in 2025.[4] The growth witnessed during the year was primarily driven by accelerating urbanisation and a structural shift in consumer behaviour towards convenience-oriented products. This momentum was further amplified by the rapid expansion of digital retail ecosystems, specifically driven by organised e-commerce platforms and the exponential rise of quick-commerce channels, which have fundamentally redefined product accessibility and delivery timelines for urban consumers. Higher income levels and evolving spending patterns have also encouraged consumers to shift towards branded, premium and value-added offerings, supporting market expansion across categories. The competitive landscape remains diverse, with both global and regional players strengthening their presence. Regional companies continue to gain market share through localised offerings and cost-competitiveness. In the Asia-Pacific region, traditional trade continues to dominate rural markets, accounting for 70% of FMCG sales in rural markets, indicating significant potential for further distribution-led expansion.

The global FMCG market is projected to grow at a CAGR of 5.40% between 2025-2034, reaching approximately USD 21.88 trillion by 2034. Future growth is expected to be driven by increasing adoption of sustainable packaging, rising demand for clean-label and personalised products and deeper penetration across emerging markets and e-commerce platforms.

Indian FMCG Market

India remains one of the fastest-growing FMCG markets in the Asia-Pacific region, supported by sustained demand expansion. Growth is driven by rising domestic consumption, supportive government policies, continuous product innovation and expansion of distribution networks.

The sector has also benefited from the growth of organised retail, increasing smartphone penetration, improved logistics and delivery networks and rising disposable incomes. Rapid urbanisation and evolving consumer preferences towards convenience-oriented products continue to support market expansion.

The Indian FMCG market remains highly competitive, with multinational and domestic players competing through product innovation, strategic acquisitions and digital transformation initiatives. The sector is characterised by high sales volumes, rapid inventory turnover and a broad portfolio of products catering to everyday consumption needs.

Quick commerce platforms are increasingly reshaping distribution dynamics, particularly in urban markets. In addition, the application of artificial intelligence across the FMCG value chain is enhancing product development, pricing strategies and customer engagement.

[1] https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026

[2] https://www.mospi.gov.in/themes/product/6-gross-domestic-product-national-state

[3] https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT23042026FL5A726E38FAF84453B435F18A3709DD11.PDF

[4] https://www.marketreportsworld.com/market-reports/fmcg-fast-moving-consumer-goods-market-14720327 *approximately

The Indian FMCG market is expected to maintain strong growth momentum, supported by favourable macroeconomic conditions, easing inflation and sustained recovery in rural demand. The market is projected to reach USD 1,150.21 billion by 2034.[5]

Indian Dairy Industry

The dairy market encompasses the comprehensive ecosystem of production, processing, distribution, and consumption of milk and milk-based products. Globally, India maintains its clear leadership as the world's largest milk producer, accounting for nearly one-fourth of global output. Beyond its food security role, the dairy sector serves as a vital anchor for the rural economy, contributing approximately 5% to the national GDP and directly sustaining the livelihoods of over 8 crore farmers. The sector reaches more than 8 crore rural households, predominantly consisting of small and marginal landholders, with women playing a structurally critical role in production and collection networks to drive socio-economically inclusive growth.[6] The Indian dairy market remains moderately fragmented, with the top five players accounting for nearly 35% of organised sector revenue. Consumer preferences are evolving, particularly in urban areas, where protein-rich products are increasingly associated with health and wellness. This is driving demand for premium offerings such as Greek yoghurt, fortified milk and high-protein cheese.

The industry outlook remains positive, supported by rising health awareness, increasing incomes and changing consumption patterns. Demand for premium and value-added dairy products is expected to remain strong, especially among urban consumers. At the same time, dairy alternatives are emerging as a fast-growing segment. Increasing awareness of plant-based products, health and environmental concerns and a rising incidence of lactose intolerance are supporting this growth. The Indian dairy market, traditionally characterised by an unorganised and cooperative-led structure, is gradually transitioning towards a more competitive, branded and technology-enabled ecosystem. The organised dairy segment is expected to witness revenue growth, supported by sustained demand, higher volumes and staggered price increases. Rising consumer awareness of product quality is also driving a shift from unbranded to branded dairy products, thereby supporting the growth of organised players.

Growth Drivers

- **Population growth and rising income**

  A growing and increasingly urbanised population, coupled with higher disposable incomes, is driving demand for milk and dairy-based nutrition. This is supporting per capita consumption and sustained volume growth across the dairy sector

- **Expansion of value-added and premium dairy products**

  Consumer preference are shifting towards cheese, paneer, flavoured and fortified milk, probiotic yoghurt and premium ghee. These categories offer higher margins and faster growth than liquid milk, supporting profitability and product innovation.

- **Growth of organised players**

  The expansion of cooperatives and private dairy companies is strengthening milk procurement, enhancing processing capacity and improving distribution networks. This is increasing the share of milk in formal channels, improving quality standards and enabling scale efficiencies.

- **Digitalisation and technology-enabled farming**

  The adoption of digital solutions in milk collection, including systems such as the National Dairy Development Board's Automatic Milk Collection System, is improving operational transparency, efficiency and farmer engagement. This is encouraging higher milk supply and participation in organised networks.

- **E-commerce and modern retail penetration**

  The increasing reach of e-commerce and modern retail is enabling dairy companies to access urban and semi-urban markets better, enhancing product availability and visibility.

- **Government support**

  Government schemes, subsidies and policy measures focused on strengthening cold-chain infrastructure, improving cattle productivity and enhancing farmer incomes are reducing sectoral risks and encouraging investment in the organised dairy industry.

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[5]https://www.researchandmarkets.com/reports/6112219/fmcg-market-size-share-outlook-forecast-trends?srsltid=AfmBOoqpDg2ptd5l-6hiSiwsjvb9VXeAErvzFSkWQY_9Ey4O8wvWjIoR

[6]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2172546&reg=3&lang=2

Government Initiatives

- **Rashtriya Gokul Mission (RGM)**

  The Rashtriya Gokul Mission, implemented since December 2014, focuses on the conservation and development of indigenous bovine breeds, genetic improvement and enhancement of milk productivity.

- **Livestock Health and Disease Control Programme (LHDCP)**

  The Livestock Health and Disease Control Programme aims to improve livestock health through disease prevention, control and management.

- **National Programme for Dairy Development**

  The National Programme for Dairy Development seeks to improve farmers' access to organised markets by strengthening dairy processing facilities, marketing infrastructure and producer-owned institutions.

- **Animal Husbandry Infrastructure Development Fund (AHIDF)**

  The Animal Husbandry Infrastructure Development Fund has a revised outlay of ₹29,110.25 crore up to FY 2026, this supports investment in dairy processing, value addition infrastructure, animal feed, breed improvement, veterinary vaccines and waste management. It aims to increase processing capacity, improve producer realisation and ensure the availability of quality dairy products.

About the Company

Parag Milk Foods Limited, established in 1992, is the largest private dairy FMCG Company with a pan India presence. The Company's manufacturing facilities with in-house technology which are strategically located at Manchar and Thorandale in Maharashtra and Palamaner in Andhra Pradesh. The Company sells 100% cow's milk products that are healthy and nutritious. Integrated business model and strong R&D capabilities have helped the Company establish a strong position product development. The Company's dairy farm, Bhagyalaxmi, houses more than 5,000 cows, with an automated milking process. The Company offers traditional products like Ghee, Dahi, Paneer, Liquid Milk, etc. under brand "Gowardhan", and products like Cheese, UHT Milk, Buttermilk, Lassi, Flavoured Milk Shakes, etc. under the brand name "Go". "Pride of Cows", the flagship brand of the Company based on proposition of Farm to Home – single origin concept targeting customers seeking premium quality dairy products. The Company is also present in Whey Protein based sports nutrition under the brand Avvatar – India's 1st 100% vegetarian whey protein. The Company's goal is to become the global nutrition provider and become the largest dairy FMCG Company that emphasizes health and nutrition to consumers through quality and innovation

INR 3,818 CR

Revenue in FY 2026

11%

Value Growth in FY 2026

5%

Volume Growth in FY 2026

Brands Impact

Gowardhan

The brand offers a comprehensive portfolio of daily dairy products, including ghee, milk, paneer, curd, butter, dairy whitener, ready-to-eat sweets and gulab jamun mix. It has established strong resonance across both urban and rural households. To enhance accessibility and drive household penetration, the Company introduced Gowardhan Ghee in a 20 ml sachet priced at ₹20. This initiative is aimed at encouraging product trials among value-conscious consumers while expanding reach across diverse consumer segments. Ghee remained a clear outlier, supported by strong volume growth.

Go

Go remains a flagship brand in the Company's portfolio, with a strong presence in the cheese segment and a product offering aligned with evolving modern consumption needs. The brand has also broadened its portfolio through UHT-based beverages and value-added dairy products, including masala Chaas, flavoured milk and fruit yoghurt. Its offerings further comprise flavoured cheese wedges, cheese spread in a tube, cheese slices, cheese angles, flavoured yogurt and Go Slim Milk.

Pride of Cows

Pride of Cows operates as a premium, farm-to-home, single-origin brand with a premium and niche lifestyle positioning. Its dairy farms are equipped with international technology for feeding, milking and processing and follow international dairy practices. The brand's product range comprises ghee, paneer, low-fat high-protein paneer, curd, Greek yoghurt, whole milk, low-fat milk and whole milk powder.

Avvatar

Avvatar, India's first 100% vegetarian whey protein brand, has gained increasing consumer acceptance through continuous product innovation and is emerging as a strong domestic alternative to international players. Its portfolio includes Performance Whey, developed for everyday whey nutrition, and Protein Wafer Bar, intended for on-the-go fitness enthusiasts. Creatine further expands the portfolio and reinforces the brand's focus on science-backed, performance-driven nutrition. Additionally, Avvatar also offers products such as Isopure Blend, Fuel Whey and Performance Whey.

Operational Performance in FY 2026

The overall performance in FY 2026 was influenced by a combination of external and internal factors. During the year, the Company navigated changes arising from the implementation of changes in the GST framework and industry-wide inflation in milk procurement prices. However, the Company undertook proactive measures, including product mix optimisation and measured calibrations, to mitigate the impact of changes in the GST framework, which affected pricing dynamics and demand across select categories. In addition, to address industry-wide inflation in milk procurement costs, which exerted pressure on gross margins, particularly in commoditised segments, Parag Milk Foods implemented cost control measures, operational efficiencies and maintained a continued focus on value-added products.

Despite industry-wide challenges, the Company delivered a strong and stable operational and financial performance in FY 2026, driven by a clear strategic focus, robust brand equity, and disciplined execution. Demand for its trusted, high-quality dairy and nutrition products remained highly resilient, supported by a differentiated product portfolio and an expansive pan-India presence. The Company's core categories including ghee, cheese, and paneer served as stellar growth drivers, recording an impressive 12% volume growth and accounting for approximately 60% of total revenue. This momentum translated into an 11% increase in overall revenue and a remarkable 19% surge in consolidated PAT, achieved by optimising the product mix and expanding gross margins even in a hyper-inflationary commodity cycle. By successfully mitigating cost pressures through calibrated pricing and targeted promotions, the Company not only sustained its growth trajectory but also proactively aligned its portfolio with conscious consumer trends. Backed by a strengthened presence across modern trade, quick commerce, and digital platforms, alongside deep consumer engagement, the Company is perfectly positioned for long-term, sustainable market leadership.

Product performance in FY 2026

Core Categories

The core portfolio, comprising ghee, cheese and paneer, continued to contribute a significant share of the overall product mix. These categories benefited from strong brand recall, wide distribution reach and steady demand across urban and semi urban markets. Margin resilience in core products, supported by judicious pricing actions and cost optimisation initiatives, helped partially offset the impact of raw milk price volatility during the year. The Core categories now contributes to 60% of the overall revenue with robust double digit volume growth.

INR 2283 CR
Revenue in FY 2026

16%
Y-o-Y Growth

8%
Volume Growth

New Age Business

The Company introduced a range of new-age products aligned with shifting consumer behavior and dynamic market dynamics, thereby strengthening its presence in high-growth segments. Pride of Cows and Avvatar Sports Nutrition represent the New Age business stream of the Company as a strategic pivot towards premium, consumer-centric brands. These ventures are built on strong differentiators, including single-origin purity for Pride of Cows and performance-focused nutrition for Avvatar.. The New Age products continued to gain traction, particularly among younger consumers, and are expected to remain key growth drivers over the medium term. Further to this, initiatives were undertaken to expand the reach of Pride of Cows into additional metro markets, including Chandigarh, along with increased penetration through quick commerce across multiple cities. Moreover, the New Age business has emerged as a strong growth engine, and its contribution to the overall business has increased to a meaningful double digit level during the reporting year.

INR 366 CR
Revenue in FY 2026

91%
Y-o-Y Growth

Liquid Milk

During the reporting year, milk volumes remained stable, profitability was impacted by inflationary pressures in procurement prices for raw milk during the year. The Company continued to focus on operational efficiencies, supply chain optimisation and calibrated pricing actions to manage margin pressures in this category. Additionally, the Company has premiumized the category through its direct-to-consumer, farm-to-table brand, Pride of Cows, which offers premium single-source cow milk to consumers across major metros.

INR 358 CR
Revenue in FY 2026

4%
Y-o-Y Growth

Milk Procurement

5 Lacs+
Farmers

2,400+
Village Level Collection points (VLC)

2
State-of-the-art Farms

7
Integrated Processing Plants

300+
Bulk Milk Coolers & Milk Chillers

Ingredients Business

The ingredients portfolio serves diverse applications, including pharmaceutical formulations, bakery, confectionery, infant nutrition, protein-enriched products and dairy-based desserts. This segment benefits from long term customer relationships, strong technical capabilities and rising demand for functional and protein based ingredients. During FY26, the ingredients business remained a strategically important vertical, providing diversification and stable revenue streams while leveraging the Company's dairy processing expertise.

Others business

INR 366 CR
Revenue in FY 2026

Annual Revenue mix over the past 5 years

Rev. Composition in %	FY22	FY23	FY24	FY25	FY26
Core Categories	57%	58%	55%	57%	60%
New Age Business	3%	4%	5%	6%	10%
Liquid Milk	10%	10%	9%	10%	9%
Ingredient Business	23%	23%	23%	17%	13%
Others	7%	6%	8%	10%	8%
Total	2072	2893	3139	3432	3818

Driving Growth Through Innovation

Our new product development initiatives are aimed at expanding category presence, improving premiumization, and addressing unmet consumer needs. Through continuous innovation, we seek to unlock new growth avenues while reinforcing our competitive position.

Khushiyan Gift Pack

20 ml Ghee Sachet

Cheese Volcano

Coffee Protein Bar

Tiramisu Protein Bar

Cheese Protein Bar

Matcha Protein Bar

Travel Pack

Fuel Whey

Micronized Creatine

Shaker

GYM Bag

Subsidiary Performance in FY 2026

Bhagyalaxmi Dairy Farm

Bhagyalaxmi Dairy Farm is among India's advanced dairy farms, spread across over 500 acre and equipped with modern international technology. Its premium product portfolio, catering to SEC A+ consumers, includes whole milk, fat-free milk, ghee, paneer, Whole milk powder (WMP), Greek Yoghurt and curd and marketed under the brand Pride of Cows. The farm has pioneered the 'farm-to-home' single-origin milk concept, contributing to its strong growth trajectory. The Bhagyalaxmi Bioscience division continues to focus on sustainability and innovation by utilising cow dung to produce organic fertilisers, soil enhancers and eco-friendly agricultural solutions. These initiatives contribute to a more sustainable value chain and promote environmentally responsible practices. Bhagyalaxmi Dairy Farm was structured around three 'RRR' principles – Reduce, Recycle, Reuse

Financial Highlights

Financial Overview (Consolidated)

(₹ in Crore)

Particulars	FY 2026	FY 2025
Revenue from Operation	3,818	3,432
EBITDA	310	293
Profit before tax	152	133
PAT bei	141	119
Net Worth	1,259	1,023
Net profit margin (%)	3.7%	3.5%

Key Financial Ratios (Standalone)

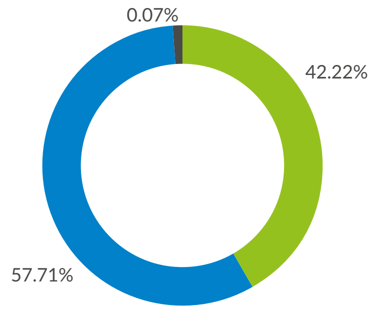
Sr. no	Ratio		As of 31st March 2026	As of 31st March 2025	Change	Explanation for the change in the ratio by more than 25% as compared to the previous year
1	Current Ratio (times)	Current Assets/Current Liabilities	1.88	2.07	(9%)	N/A
2	Debt-Equity Ratio (times)	Total Borrowings/Shareholders' equity*	0.43	0.57	(24%)	N/A
3	Debt Service Coverage Ratio	Earnings available for debt service/ Debt service	0.71	0.68	4%	N/A
4	Return on Equity Ratio (%)	Net Profits after taxes/ Average shareholders' equity	12.95	12.58	3%	N/A
5	Inventory turnover ratio (times)	Revenue from operations/ Average inventory	4.38	5.80	(25%)	Inventory Turnover Ratio has declined due to increase in inventory and cost of material consumed
6	Trade receivables turnover ratio (times)	Net revenue from operations/ Average trade receivables	15.59	13.90	12%	N/A
7	Trade payables turnover ratio (times)	Net purchases/ Average trade payables	12.82	11.44	12%	N/A
8	Net capital turnover ratio (times)	Revenue from operations/ Working capital	5.82	4.74	23%	N/A
9	Net profit ratio (%)	Net profit/ Revenue from operations	4.03	3.67	10%	N/A
10	Return on capital employed (%)	EBIT/ Capital employed**	12.61	13.49	(7%)	N/A
11	Return on investment (%)	EBIT/ Average total assets	11.50	11.91	3	N/A

Note: The above reporting has been prepared by the Company as per internal metrics. The numbers may differ from the financials reported under accounting standards.

In FY 2026, order to further strengthen its financial position, during FY26 the Board of Directors approved the issuance of convertible warrants on a preferential basis, subject to shareholder approvals.

On April 3, 2025, the Board approved the issuance of 90,00,000 convertible warrants, each convertible into one fully paid up equity share of face value H10, at an issue price of H179.10 per warrant, aggregating to a total potential fund raise of approximately Rs 161 crore. An amount equal to 25% of the warrant issue price was received upfront, in line with SEBI regulations. The remaining Rs 120.89 crore (the 75% balance of the total Rs 161.19 crore fundraise) is currently outstanding and payable by the allottees upon exercising their conversion rights into equity shares. Under SEBI regulations, allottees have up to 18 months from the allotment date (May 2025) to pay this balance and execute the conversion. The same will be converted in November 2026.

Shareholding Pattern

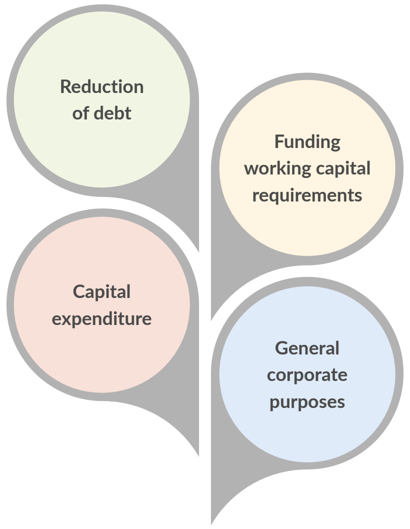


- Promoter & Promoter Group
- Public
- Shares held by Employee Trust

*as a % assuming full conversion of share warrants

The warrants were preferentially allotted to a combination of promoters, non promoter investors and senior management, including the Chairman, Managing Director, certain promoter entities, marquee external investors such as Mr. Utpal Sheth and a key senior executive, reflecting continued stakeholder confidence in the Company's long term strategy.

The stated objects of the warrant issue included:



During FY26, the Company successfully completed the conversion of all outstanding Foreign Currency Convertible Bonds (FCCBs) held by the International Finance Corporation (IFC) into equity shares, thereby eliminating FCCB related debt from its balance sheet. On September 29, 2025, the Finance Committee of the Board approved the allotment of 57,33,713 fully paid up equity shares of face value ₹10 each to IFC, pursuant to the exercise of conversion rights for 10,680 FCCBs, at a conversion price of ₹135 per equity share. The newly issued shares rank pari passu with the existing equity shares of the Company in all respects, including dividend entitlement.

Consequent to this conversion:

- The Company's paid up equity share capital increased from ₹119.38 crore (11.94 crore shares) to ₹125.11 crore (12.51 crore shares).
- The outstanding FCCB liability was reduced to NIL, fully removing this instrument from the Company's balance sheet.

This conversion significantly strengthened the Company's capital structure, reduced leverage and eliminated potential redemption obligations associated with FCCBs

Manufacturing

Encompassing three major manufacturing units and multiple third-party plants, the Company's integrated production model has driven its transformation into a global nutrition provider. By scaling automation and supply chain collaboration, these facilities maximise cost leadership, quality excellence, and operational efficiency.

Manchar Facility

The Manchar facility produces cheese, milk, curd, yoghurt, paneer, ghee, lactose and whey proteins and SMP. The Company's state-of-the-art production ecosystem is anchored by strategically located facilities that ensure high-quality processing, specialised product capabilities, and extensive regional reach.

Palamaner Facility

The Palamaner facility in Chittoor specializes in UHT milk, tetra pack, ghee, milk protein, Whole Milk Powder (WMP),jon processing of fat and Skim Milk Powder (SMP) and bottled beverages. The facility also houses a specialized powder plant producing nutritional powders for pharmaceutical and multinational clients.

Thorandale Facility

The recently acquired Thorandale facility focuses on RTE sweets ++ NPDs, houses cold storage and IQF frozen cheese operations. As part of the Company's broader brownfield expansion initiatives during FY 2026, automated manufacturing lines for both cheese and chikki were successfully installed at Thorandale, including a fully automated chikki production line commissioned during the year. These infrastructure enhancements were further supported by the addition of processed cheese lines at the Manchar facility to scale overall production capabilities.

Quality Management

Quality management and food safety continue to be among the most critical operational priorities for the Company. Detailed HACCP (Hazard Analysis and Critical Control Point) studies have been undertaken across manufacturing processes to identify critical risk areas and establish appropriate control mechanisms. The Company's quality framework is built around ORP (Operational Prerequisite Program), PRP (Prerequisite Program) and critical control point systems. Regular training programmes are conducted for employees on GMP (Good Manufacturing Practices) and hygiene requirements, including the use of caps, masks, shoe covers and handwashing protocols. The Company also maintains a dedicated food safety team that functions separately from the quality team. While the quality team focuses on microbial quality parameters, product specifications and testing standards, the food safety team is responsible for monitoring contamination risks, ensuring adherence to SOPs, addressing customer complaints and mitigating operational risks. Food safety teams conduct regular rounds across plant locations and organise daily training sessions for workers to support compliance with hygiene and food safety requirements.

Distribution

The distribution network of the Company remains a key driver of its market reach and growth. The Company has established a strong pan-India presence through an integrated network spanning general trade, modern retail and e-commerce and quick commerce channels, ensuring wide product availability and accessibility. The extensive network enables efficient servicing of diverse markets and supports the Company's presence in select international geographies through timely product availability and enhanced customer reach. In FY 2026, the Company continued to place strong strategic emphasis on strengthening and future proofing its distribution architecture to support scale, cost efficiency and faster market reach across core and emerging categories.

Moreover, Milk is the primary raw material, sourced from farmers through collection centres. It is then processed at the Company's manufacturing facilities. Finished goods move from the plants to a nation-wide network.

Distribution infrastructure

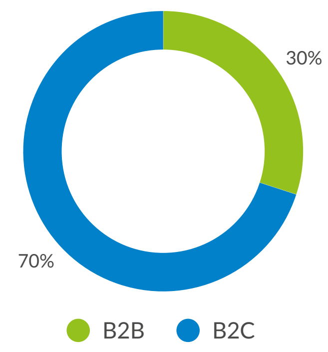
4.6 Lakh
Retail touchpoints

~4500
Distributors

500
Super stockists

29
Depots

Percentage of total business



Key initiatives undertaken in FY 2026

- **Deepening retail penetration and market expansion**

  The Company focused on expanding its retail footprint, particularly in high growth semi urban and rural markets, to improve accessibility of its core dairy and value added product portfolio. This was supported by calibrated onboarding of distributors and sub distributors to enhance servicing reach and reduce last mile gaps across priority territories.

- **Strengthening distributor and super stockist ecosystem**

  Parag Milk Foods undertook initiatives to improve distributor productivity and engagement through better territory rationalisation, improved service norms and streamlining of order to delivery cycles. The Company also enhanced its super stockist network to support faster replenishment, lower transit time and improved working capital efficiency across regions.

- **Optimisation of depot and logistics infrastructure**

  During the year, the Company continued to optimise its depot network and logistics flows to improve supply chain efficiency. Initiatives focused on balancing proximity to demand centres, improving inventory turns and reducing secondary freight costs, thereby enabling quicker product availability and improved service levels.

- **Leveraging technology led distribution capabilities**

  Digital tools and analytics were increasingly leveraged to strengthen demand forecasting, distributor ordering visibility and route planning. These initiatives supported improved inventory planning, reduced stock outs and enhanced execution discipline across channels.

- **Scaling modern trade and e commerce channels**

  FY 2026 saw continued focus on scaling presence across modern retail and e commerce platforms, supported by dedicated channel specific distribution models. This helped improve brand visibility, widen consumer reach in urban markets and cater to evolving buying preferences through omnichannel availability.

- **Enhancing cold chain and quality assurance mechanisms**

  Given the nature of the Company's dairy portfolio, specific emphasis was placed on strengthening cold chain capabilities across transportation and warehousing points. This ensured product freshness, quality consistency and compliance with food safety standards across the distribution network.

Brand Building

Brand building initiative remained an important driver of the Company's brand recognition and market positioning in a competitive environment. The initiatives were aimed at creating stronger and more meaningful connections with consumers. Key branding initiatives undertaken during the reporting year included Impact Marketing, Influencer Campaign, E-Commerce Festive Banners, Chef Influencer Program, Offline Activities, Gym & Store Branding and partnerships with leading domestic airlines.

The Company also strengthened its presence across modern trade, quick commerce and digital platforms, while deepening consumer engagement through on-ground activations and partnerships. In addition, Avvatar accelerated its market salience and modern nutrition positioning by onboarding a prominent public celebrity and entering into strategic web series partnerships.

Human Resource (HR)

FY 2025-26 represented an important milestone in the Company's HR transformation journey under the HR Parivartan initiative, aimed at building a more agile, digitally enabled and process-oriented people ecosystem. During the year, HR policies, SOPs and workforce practices were refined in line with evolving business requirements, supported by the digitisation of onboarding and performance management processes. The Company also reinforced employee well-being, workplace safety and governance standards across operations, while sustaining a zero Lost Time Injury (LTI) record. The Company conducted POSH (Prevention of Sexual Harassment) Awareness Training across its corporate office to strengthen awareness and promote a safe, respectful and inclusive working environment. In parallel, continued focus was placed on strengthening leadership development, expanding learning capabilities and advancing towards workplace excellence certifications. In addition, Darwin HRIS supports the Company in maintaining a fair, data-driven and efficient hiring process, enabling it to attract the best talent across various domains.

Talent Acquisition and Workforce Development

To enhance hiring credibility and role fitment, the Company strengthened its talent acquisition framework by integrating Mercer Mettl psychometric assessments and Spring Verify background checks. Furthermore, to elevate frontline sales capabilities, five core competencies were embedded into the recruitment and evaluation process: business delivery orientation, financial acumen, ownership mindset, distributor management, and stakeholder management.

Internal Career Mobility and Succession Planning

The Company's structured performance reviews and KRA-linked evaluations continue to drive internal career progression and leadership identification. To secure business continuity, critical positions across sales, licensing, taxation, health and safety, and plant operations have been integrated into a comprehensive succession planning framework. This pipeline was further strengthened during the year through senior leadership assessments conducted in collaboration with Mercer Mettl, HRNC, and AssessHub to accelerate capability development plans.

Learning and Development

Refresher programmes, financial acumen workshops and video-based micro-learning capsules were conducted during the year, along with in-house capability-building initiatives on tools such as Excel and Power BI. The Company also plans to introduce AI-focused learning modules and a Learning Management System (LMS) platform in FY 2026-27. Employees across plant operations continued to undergo regular training on health and safety, hygiene standards, ISO compliance, product handling and operational quality practices.

Diversity, Equity and Inclusion (DEI)

The Company continued to promote equal opportunity and inclusive workplace practices across functions. Women employees formed part of the workforce,, including contract labour, with continued focus on improving gender representation over time. Efforts during the year also included remuneration parity, equal growth opportunities and strengthened leadership diversity, with women leading several key departments within the organisation.

Performance Management and Employee Recognition

During the year, the Company introduced the 'Rise Run Rule' initiative to reward exceptional innovation, execution excellence, and leadership capabilities across functions. High performers were celebrated through incentive-led rewards, international recognition opportunities, and a new corporate 'Hall of Fame'. Supported by monthly recognition programs, leadership interactions, and internal communication platforms, these initiatives significantly enhanced employee engagement and fostered a culture of appreciation across all locations.

Employee Health and Safety

The Company continued to place strong emphasis on employee safety, health and workplace well-being across its plants, farms and office locations during the reporting year. Workplace safety is managed through an Occupational Health and Safety Assessment Series (OHSAS)-aligned framework, supported by regular safety audits, hygiene inspections, fire drills, PPE monitoring and structured safety awareness programmes. Work-related hazards are assessed through Hazard Identification and Risk Assessment (HIRA) processes, periodic inspections and customer-led audits. These mechanisms support continuous monitoring and enable timely corrective actions across operations. Plant activities are guided by structured health and safety calendars that cover routine inspections, monitoring processes and compliance reviews. Minor observations relating to PPE usage, safety equipment and contractor compliance are proactively identified and addressed by local health and safety teams.

The Company also continued to focus on employee capability building through structured training and awareness programmes. Employees receive training on HACCP, TPM, workplace safety practices and hygiene standards, along with access to periodic health check-ups and wellness sessions conducted by medical and well-being experts. During the reporting year, multiple capability development and training programmes were implemented across facilities. Dedicated safety teams conduct training programmes covering fire safety, electrical hazards, chemical handling, work-at-height safety and operational risk management. Separate training sessions were conducted by quality teams on food safety systems, HSE standards, critical control points, ORP and PRP protocols. In addition, HR-led learning initiatives are undertaken to enhance employee productivity and strengthen digital capabilities. Through these structured systems, training programmes and ongoing interventions, the organisation continued to reinforce a proactive safety culture across all locations and successfully maintained a zero Lost Time Injury (LTI) record during the year.

Environmental Sustainability

As an Indian dairy FMCG company, the Company's operations have a close connection with agricultural landscapes, farming communities and the broader health of ecosystems. This relationship underpins its approach to environmental sustainability, with emphasis on responsible sourcing, efficient resource utilisation and environmentally conscious business practices. Sustainability remains integrated into business and operational activities, supported by focused initiatives to reduce the environmental footprint and strengthen long-term environmental stewardship.

Circular economy principles and responsible waste management form an important part of the Company's environmental strategy. Structured initiatives based on "Reduce, Reuse and Recycle" support operational sustainability and efficient waste management. Continuous process optimisation is also supporting the Company's objective of reducing the overall waste generation by 2027, thereby decoupling business growth from its environmental footprint. Water recovered through treatment processes is utilised for gardening, while approximately 55% of the water consumed across operations is currently reused within manufacturing processes. Manufacturing operations are supported by advanced technologies and measures aimed at improving water efficiency and overall resource utilisation. The Company remains focused on reducing water intensity in milk processing and has set a target to lower water consumption per litre of milk by 10% by 2027. It has also invested in rainwater harvesting infrastructure and undertaken measures such as converting dairy waste into organic manure.

During the reporting year, the Company progressed its transition towards a lower-carbon energy mix by increasing renewable energy adoption and improving operational efficiency across its value chain. Through strategic infrastructure investments and a key partnership with Tata Power, the Company established 8.5 MW of solar capacity, enabling solar energy to account for more than 50% of its total electricity consumption. Continuous emission monitoring systems have also been implemented across plant locations to monitor boiler stack emissions, including sulphur oxides (SOx), nitrogen oxides (NOx) and particulate matter (PM). Further strengthening its emission control measures, Electrostatic Precipitator (ESP) systems were installed in boilers during FY 2025-26. These systems support the capture and reduction of fine particulate matter generated during boiler operations, thereby improving the management of stack emissions.

Company Outlook

Looking ahead, the Company will continue to build on its existing momentum by expanding its consumer portfolio, enhancing brand relevance and pursuing consistent and profitable growth. This will be supported by disciplined execution, with a continued focus on ensuring that growth remains sustainable and underpinned by stronger fundamentals. Parag Milk Foods is also strengthening its manufacturing capabilities ahead of future requirements and refining its route-to-market strategy. Innovation and brand building will remain important areas of focus in the coming years. Guided by a clear roadmap, the Company remains determined to strengthen its presence across its operating categories and creating sustainable, long-term value for all stakeholders.

Risk Management

Risk Management Framework

The Company's risk management framework is overseen by the Board, which is responsible for approving risk policies and supervising the design, implementation and monitoring of risk management systems.

The Risk Management Committee supports the Board by reviewing risks arising from business operations and overseeing the effectiveness of the risk management framework.

The framework covers a broad spectrum of risks, including strategic, reputation, finance, fraud, governance and compliance, information security and enterprise-wide operations.

Risk Management

Raw material price risk - Price volatility in raw materials, especially milk, may impact costs and margins.

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

Quality and safety risk - Non-compliance with safety protocols can damage brand credibility.

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

Redundancy risk - Evolving consumer needs require constant innovation.

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

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

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

Occupational health and safety risk: Employees face risks from machinery or unsafe conditions.

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

Compliance, regulatory and reputation risk: Legal/regulatory non-compliance can erode brand value.

Mitigation: Continuous legal monitoring, risk assessments, compliance.

Competition risk: High industry competition poses growth challenges.

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

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

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

Sustainability risk: Growing investor focus on ESG could affect market perception.

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

People risk: Talent acquisition and retention are critical for sustained growth.

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

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

Board's Report

Dear Members,

The Board of Directors ("Board") is pleased to present the Integrated Annual Report of Parag Milk Foods Limited ("Parag" or "Company" or "Your Company") for financial year ("FY") 2025-26, which includes the Board's Report, Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2026 ("year under review" or "year" or "FY26"). The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Board's Report for the financial year ended March 31, 2026, together with the audited financial statements, provides an overview of the Company's affairs, financial performance, and significant developments during the year under review. The Report has been prepared in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

For the purpose of this report, Parag Milk Foods Limited together with its subsidiaries is referred to as the "Parag Group" or the "Group".

OVERVIEW OF FINANCIAL PERFORMANCE

Key highlights of Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2026, are as under:

(₹ in Crore except per share data)

Particulars	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Revenue from Operations	**3,742.03**	**3,367.40**	**3,817.50**	**3,432.21**
Other Income	35.43	26.60	53.46	40.25
Total Income	**3,777.46**	**3,394.00**	**3,870.96**	**3,472.46**
Earnings before Depreciation, Finance Costs, Exceptional Items and Taxation	296.86	279.59	310.24	292.93
Less:- Depreciation and Amortisation Expense	60.40	59.68	70.74	67.22
Less:- Finance Costs	72.28	85.07	81.39	93.12
Profit before Tax and exceptional items	164.18	134.84	158.11	132.59
Exceptional Items	5.39	-	5.72	-
Profit / (Loss) Before tax	158.79	134.84	152.39	132.59
Less:- Tax expense				
(1) Current Tax	0.45	-	0.45	-
(2) MAT (Credit) / Reversal	-	-	-	(1.19)
(3) Deferred Tax	7.46	11.30	16.89	14.99
Profit After Tax	150.88	123.54	135.05	118.79
Earnings per Share				
Basic	12.36	10.36	11.06	9.97
Diluted	11.80	9.89	10.57	9.51

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

The Company's revenue from operations for FY 2025-26 grew by 11.13% to ₹3,742.03 Crore, compared with ₹3,367.40 Crore recorded in FY 2024-25. Profit Before Tax (PBT) for FY 2025-26 stood at ₹158.79 Crore, reflecting an increase over ₹134.84 Crore reported in the previous financial year. Similarly, Profit After Tax (PAT) for FY 2025-26 rose to ₹150.88 Crore from ₹123.54 Crore in FY 2024-25. A detailed review of the Company's operational performance and financial position is provided in the Management Discussion and Analysis Report, which is included as part of this Integrated Annual Report.

Consolidated

The Company achieved Consolidated Revenue from Operations of ₹3,817.50 Crore during FY 2025-26, representing a growth of 11.23% compared to ₹3,432.21 Crore in the preceding financial year. This performance was driven by sustained momentum in the core product portfolio, led by Ghee, Cheese, and Paneer, which together recorded volume growth of 8% and value growth of 16% during the year. Consolidated Profit Before Tax for FY 2025-26 stood at ₹152.39 Crore, as against ₹132.59 Crore in FY 2024-25. Consolidated Profit After Tax amounted to ₹135.05 Crore, compared to ₹118.79 Crore in the previous year.

PERFORMANCE ANALYSIS, BUSINESS OUTLOOK AND HIGHLIGHTS

Brand Building & Integrated Marketing Strategy

The Company pursued a robust and comprehensive 360-degree brand building strategy during the year, combining the reach of traditional media with the precision of digital platforms. Anchored by high-impact television associations such as Kaun Banega Crorepati, Super Dancer, Sony Marathi's Maharashtrachi Hasya Jatra, and the Zee Cine Awards, the Company ensured strong mass visibility across regional and national audiences. Complementing this, targeted digital campaigns and influencer collaborations, including partnerships with celebrated personalities.

Gowardhan and Go - Deepening Household Reach and Consumer Accessibility

Across its portfolio, each brand pursued a distinct yet cohesive positioning strategy. Gowardhan deepened its festive and household connect through initiatives such as the Gowardhan Khushiyan Gift Box and regional television presence on ABP Majha and TV9 Marathi. To broaden accessibility and drive trials, the brand introduced Gowardhan Cow Ghee in an affordable 20 ml sachet priced at ₹20, enabling deeper penetration across both urban and rural markets. Go Cheese reinforced its consumer relevance through strong on-screen associations and recipe-led influencer content, including collaborations with Farah Khan for amplified brand messaging across social media, extending reach to younger and digitally active consumer segments, while in-shop branding and visibility campaigns across general trade and modern trade channels drove notable consumer engagement at the point of purchase.

Pride of Cows - Reinforcing Premium and Single - Origin Positioning

Pride of Cows continued to strengthen its positioning as India's most premium single-origin dairy brand through a dynamic multi-platform approach. Collaborations with celebrated names from the world of fashion and lifestyle, including Manish Malhotra and Falguni Shane Peacock, reinforced the brand's luxury and aspirational appeal. "What's the Source?" campaign further deepened consumer trust by highlighting the brand's commitment to milk authenticity, traceability and purity.

Avvatar - Scaling Beyond Fitness into Lifestyle and Youth Culture

Avvatar, the Company's homegrown sports nutrition brand, made significant steps in expanding its consumer base beyond core fitness audiences. The association with Janhvi Kapoor as the brand ambassador lent strong lifestyle relevance, while collaborations with the Amazon Prime web series Rise and Fall, e-sports partnerships, and in-flight sampling through IndiGo and Akasa Air enabled meaningful trials across urban and youth. Sustained influencer-led campaigns further secured brand recall among health-conscious consumers seeking modern nutrition solutions.

Industry Presence and Global Visibility

At an organisational level, the Company strengthened its industry presence and global visibility through participation in prestigious exhibitions including the World Food Exhibition, Anuga, Indus Food, and Catering Expo & Décor. Together, these initiatives reflect the Company's commitment to building purpose-driven, consumer-centric brands that resonate across diverse audiences, price points, and platforms - strengthening its position as a diversified and forward-looking dairy enterprise.

EXPANSION OF SUBSIDIARY

The Company's dairy farm, Bhagyalaxmi Dairy Farms Private Limited (Bhagyalaxmi), wholly owned subsidiary (WOS) of the Company, houses approx 5,000 cows, with an automated milking process. The Company is expanding Bhagyalaxmi, which supplies exclusively to our brand "Pride of Cows" and is expected to reach about 15,000 cows in coming four to five years.

The Company has set up a wholly owned foreign subsidiary, Parag Foods Middle East FZE, in Dubai, UAE, to enhance its footprint across global markets and develop an integrated supply chain network for catering to international customers.

REVIEW OF OPERATIONS

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

BRAND BUILDING: STRATEGY

The Company strives to be among the best-performing and most reputable dairy FMCG companies, earning the confidence of all stakeholders and emerging as a global provider of nutrition-focused products driven by quality and innovation.

EXPORT MARKET

The Company maintained a strong presence in international markets and continued to enhance the visibility of its Go and Gowardhan brands across multiple geographies. Through its export operations, the Company serves customers in several countries, including UAE, Singapore, Mauritius, Oman, Kuwait, Bahrain, Hong Kong, Philippines, Sri Lanka, Bangladesh, Maldives, Indonesia, Malaysia, USA, Israel, Nigeria, Nepal, and Bhutan. Building on this foundation, the Company also broadened its market reach in the UK, Germany, and other European countries through the export of its sweet product range. Exports accounted for 2.17% of the Company's revenue from operations during FY 2025-26.

PHILANTHROPIC ACTIVITIES

The Company has remained actively engaged in initiatives that contribute to the well-being of the community and continues to undertake philanthropic efforts in the following key areas:

- Advancement of education
- Supporting the welfare and development of children
- Promoting the overall well-being of the community

DIVIDEND & RESERVES

Dividend Distribution Policy

Your Company's wealth distribution philosophy aims at sharing its prosperity with its shareholders, through a formal earmarking and disbursement of profits to its shareholders while retaining sufficient profits in the business for various purposes.

In terms of Regulation 43A of the Listing Regulations, your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the stakeholders of the Company. The policy sets out various internal and external factors, which shall be considered by the Board in determining the dividend pay-out.

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

Dividend

During the year under review, your company has paid final dividend for the financial year ended March 31, 2025, at 10% i.e. ₹1/- per equity share. Further, in accordance with the principles and factors enunciated in the above policy a Final Dividend at 11% i.e. ₹1.10/- per equity share of face value of ₹10/- each for the financial year ended March 31, 2026 has been recommended by the Board at its meeting held on May 7, 2026, subject to the Members approval at the ensuing 34th Annual General Meeting ("AGM") of the Company. The Final Dividend, if approved by the Members, shall be paid on or before 30 days of the date of the AGM, to the Beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the depositories as on the cut-off / record date fixed for this purpose.

If approved by the Members, the Company shall incur a cash outflow of ₹13.76 Crore towards dividend payment to all beneficial owners holding shares in electronic form as reflected in the records provided by the depositories as on the Cut-off/ Record Date, subject to any changes in the share capital of the Company as on the Cut-off / Record Date. Accordingly, the proposed dividend payout accounts for 9.12% of the Company's standalone net profit after tax. Your Company is in compliance with the Dividend Distribution Policy as approved by the Board.

The Members are requested to note that pursuant to the provisions of the Income Tax Act, 2025, as amended, dividend paid or distributed by the Company shall be taxable in the hands of the Members. Your Company shall therefore deduct tax at source ("TDS") (at the applicable rates) at the time of payment of the Dividend.

Unclaimed Dividends

The information relating to outstanding and unclaimed dividends declared by the Company is provided in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Transfer to Reserve

During FY 2025-26, there was no amount proposed to be transferred to the Reserves.

SHARE CAPITAL

For FY 2025-26, the authorised share capital of the Company remained at ₹200 Crore, represented by 20 Crore equity shares of ₹10/-each.

During the period under review, 57,33,713 fully paid-up Equity Shares of face value ₹10/- each were issued and allotted to International Finance Corporation (IFC) pursuant to the exercise of the conversion option in respect of their entire holding of 10,860 Foreign Currency Convertible Bonds (FCCBs), pursuant to the FCCBs Subscription Agreement (as amended) entered by the Company with IFC in the year 2021. Accordingly, the Paid-up Equity Share Capital of the Company increased from ₹1,19,37,58,410 to ₹1,25,10,95,540 divided into 12,51,09,554 Equity Shares of Face Value of ₹10/- each.

Further, the Company witnessed strong investor confidence, reflected in the capital infusion of ₹40.30 Crore in May 2025, representing 25% of the Issue Price of the convertible share warrants. The fundraising round saw participation from prominent investor Mr. Utpal Sheth and members of the senior management team besides promoters. The proceeds were intended to reduce debt, augment working capital and support the Company's strategic growth initiatives.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY

There have been no material changes and commitments, which affect the financial position of the Company, that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

The Company did not undergo any change in the nature of its business.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on March 31, 2026, your Company has two Wholly Owned Subsidiaries namely Bhagyalaxmi Dairy Farms Private Limited and Parag Foods Middle East FZE. There were no material changes in the nature of the business of the subsidiaries. Further, the Company does not have any associate company, nor has it entered into a joint venture with any other company.

In accordance with Section 129(3) of the Act, a separate statement containing the salient features of the financial statements of our subsidiaries in prescribed Form AOC - 1 is enclosed as Annexure I to this report. The statement also provides details of performance and financial position of each of the subsidiaries.

In line with the requirement of the Listing Regulations, your Company has formulated a policy for determining material subsidiaries and the same is available on the Company's website at https://www.paragmilkfoods.com/policy.php?id=13.

Performance highlights of Bhagyalaxmi Dairy Farms Private Limited for FY 2025-26 is given below:

(₹ in Crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
1.	Total Revenue	197.47	142.10
2.	Profit/(Loss) before Interest, Tax and Depreciation	16.21	(2.24)
3.	Profit/(Loss) after Tax	(15.83)	(4.74)

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

The financial statements of Bhagyalaxmi Dairy Farms Private Limited are available on the Company's website under the Financial Performance section at https://www.paragmilkfoods.com/investors.php.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, the audited Consolidated Financial Statements of the Company for the Financial year 2025-26, together with the Auditor's Report forms part of this Integrated Annual Report. The said statement provides the details of the performance and financial position of subsidiaries and their contributions to the overall performance of the Company.

Further, in accordance with Section 129 of the Act and the Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Company and its subsidiary have been prepared in the format and manner prescribed under Schedule III to the Act. These statements will be approved by the Members at the ensuing AGM.

Further a copy of the Audited Financial Statements of the subsidiary shall be made available for inspection at the registered office of the Company during business hours on any working day upto the date of AGM. According to Section 136 of the Companies Act, 2013, any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiary shall make a specific request in writing to the Company Secretary at investors@parag.com.

CREDIT RATING

During the year under review, the Company's credit rating agency, India Ratings and Research Private Limited ("India Ratings") vide its press release dated June 30, 2025, reaffirmed the credit ratings for Bank Facilities and assigned its rating in respect of the Non-Convertible Debentures ("NCDs"), as provided below:

Instrument Type	Ratings	₹ in Crore
Working Capital Limit	IND BBB/Stable/IND A3+	450
Term Loan	IND BBB/Stable	45
NCDs	IND BBB/Stable	105

Subsequent to FY 2025-26, India Ratings upgraded the credit ratings assigned to the Company's NCDs, Bank Loan Facilities and Term Loan on May 7, 2026, as provided below:

Instrument Type	New Ratings	₹ in Crore
NCDs	IND BBB+/Stable	81
Bank Loan Facilities	IND BBB+/Stable/IND A2	600

Further, the rating services of ICRA Limited ("ICRA") in relation to the NCD Programme were discontinued at the request of the Company and upon receipt of the requisite no-objection certificate(s) from the lender(s) and in accordance with ICRA's policy.

All the press releases and rating letters issued by the respective rating agencies can be accessed on Company's website at https://www.paragmilkfoods.com/investors.php under Announcements section.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

Your Company actively seeks to adopt global best practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for creating greater stakeholder value, protection of their interests and better corporate governance. Parag's Board comprises eminent persons with proven competence and integrity, who bring in vast experience and expertise, strategic guidance and leadership qualities.

As on March 31, 2026, the Board of Directors comprised of 8 Directors including 4 Independent Directors, 1 Non-Executive Non-Independent Director and 3 Executive Directors, details thereof are elaborated in the Corporate Governance Report, which forms part of this Integrated Annual Report.

In accordance with the requirements of the Listing Regulations, the Board has determined the essential skills, expertise, and competencies required of its directors, taking into account the nature and needs of the Company's business to ensure its effective governance and functioning. Details of these key skills, expertise, and core competencies are provided in the Corporate Governance Report, which is included as part of this Integrated Annual Report.

The Board is of the view that all Directors, including those appointed or re-appointed during the year, possess the necessary qualifications, experience, and expertise to discharge their responsibilities effectively and uphold the highest standards of integrity.

Pursuant to the provisions of the Act, Mr. Devendra Prakash Shah, Executive Chairman, is liable to retire by rotation at the ensuing AGM and, being eligible, has offered himself for re-appointment. The resolution relating to his re-appointment is included in the Notice convening the ensuing AGM. His profile and other relevant particulars are set out in the annexure to the AGM Notice.

Changes in Board Composition

During FY 2025-26, the following changes took place in the composition of the Board of Directors:

A. Appointment of Directors:

I. **Independent Director**

The Members of the Company, vide resolutions passed through postal ballot, approved:

i. Appointment of Ms. Namrata Garud for a term of 5 (five) consecutive years from May 2, 2025 upto May 1, 2030.

ii. Appointment of Mr. Milind Patil for a term of 5 (five) consecutive years from May 22, 2025 upto May 21, 2030.

iii. Appointment of Mr. Amitabha Mukhopadhyay for a term of 5 (five) consecutive years from May 22, 2025 upto May 21, 2030.

In the opinion of the Board, Ms. Namrata Garud, Mr. Milind Patil and Mr. Amitabha Mukhopadhyay bring on board the required experience, integrity, expertise, and relevant proficiency which will add tremendous value to the Board in exercising their role effectively.

The requisite declarations and eligibility confirmations under the provisions of the Act and the Listing Regulations were received from the above mentioned Independent Directors for considering their appointment as Independent Directors.

II. Executive Directors

The Members of the Company, vide resolutions passed through postal ballot, approved re-appointment of Mr. Devendra Shah as Executive Chairman, Mr. Pritam Shah as Managing Director and Ms. Akshali Shah as Executive Director, for a term of 5 (five) consecutive years effective from April 1, 2025.

Further, at the 33rd AGM held during FY 2025-26, Ms. Akshali Shah, whose term was liable to retire by rotation, was re-appointed pursuant to provisions of the Act.

B. Retirement:

Mr. Narendra Ambwani and Ms. Radhika Dudhat retired as an Independent Directors of the Company with effect from May 26, 2025, and Mr. Nitin Dhavalikar with effect from July 28, 2025, upon completion of their respective two consecutive terms of five years as prescribed under the Act.

The Board placed on record its sincere appreciation for the leadership, guidance, and invaluable contributions made by Mr. Narendra Ambwani, Ms. Radhika Dudhat, and Mr. Nitin Dhavalikar, during their tenure with the Company.

Declarations by Independent Directors:

The Company has received necessary declaration from each Independent Director of the Company stating that:

i. they meet the criteria of independence as provided in Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations;

ii. they have registered their names in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs as required under Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014; and

iii. As per Regulation 25(8) of the Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The 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.

Based on the declarations received from the Directors, the Board confirms that there has been no change in the circumstances affecting their status as Independent Director of the Company. In the opinion of the Board, all the Independent Directors are competent, experienced, proficient and possess necessary expertise and integrity to discharge their duties and functions as Independent Directors.

KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following are the Key Managerial Personnel of the Company:

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

MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

During FY 2025-26, the Board of the Company met five (5) times. The details of composition of the Board and its Committees, particulars of meetings and the attendance of the Directors/ Committee Members at the respective Meetings are included in the Corporate Governance Report, which forms part of this Integrated Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act and Listing Regulations.

The Board considers and reviews the recommendations submitted by the Audit Committee and, where necessary, seeks additional clarifications or information. During the year under review, all recommendations placed before the Board by the Audit Committee were duly considered and approved.

The Board has constituted following committees:

1. Audit Committee
2. Nomination and Remuneration Committee (NRC)
3. Stakeholders' Relationship Committee (SRC)
4. Risk Management Committee (RMC)
5. Corporate Social Responsibility (CSR) Committee

6. Finance Committee
7. Management Committee

Information relating to all the Committees, including their composition and the meetings conducted during the year, are provided in the Corporate Governance Report forming part of this Integrated Annual Report.

AUDIT COMMITTEE

Information relating to the Audit Committee including composition is provided in the Corporate Governance Report, which forms an integral part of this Integrated Annual Report.

BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, Board Committees, and individual directors, in accordance with the provisions of the Act and Regulation 17(10) of the Listing Regulations and as prescribed in the Nomination and Remuneration Policy.

The Board's performance was assessed by considering feedback received from all Directors against parameters including its composition and structure, the effectiveness of its processes, the flow of information, and its functioning. The evaluation of the Committees was carried out based on inputs from all the Directors, with due regard to factors such as Committee composition and the effectiveness of Committee meetings. The Company conducts the evaluation process through structured questionnaires, covering key aspects of the Board's functioning, including its composition and structure, the qualifications, experience and competencies of Directors, Board diversity, and the effectiveness of Board processes.

The Independent Directors at their separate Meeting held on March 16, 2026, reviewed the performance of the Chairman, Non-Independent Directors of the Company and overall performance of the Board as mandated by Schedule IV of the Act and the Listing Regulations. Based on the outcome of the Independent Directors' evaluation process, the Board and the Nomination and Remuneration Committee, at their meetings held on May 7, 2026, considered the performance of the Board, its Committees, and each Director.

The review of the Executive Chairman's performance is carried out based on comments and feedback from all Directors, excluding the Chairman, against established parameters such as leadership effectiveness, professional expertise, strategic guidance, approach to risk oversight, stakeholder engagement, and other managerial attributes. The assessment of the Independent Directors is carried out, with the concerned Director not participating in the evaluation of their own performance.

During the year, the recommendations of the previous year's Board evaluation were discussed with the Board, and individual feedback was provided. For more details on the Board Evaluation Process, please refer the 'Performance Evaluation' section in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Familiarisation Programme for Independent Directors

The Company conducts a Familiarisation Programme for its Independent Directors upon their appointment on the Board and on an ongoing basis throughout the year. The Company's familiarisation programme includes an overview of the business model of the Company and its subsidiaries, to acclimatise them with the processes, the environment in which the Company operates, the operational and financial performance of the Company, the significant developments taking place on a continuous basis and to assist them in performing their role as Independent Directors.

Specific sessions are organized with the members of executive management team and KMP to provide an in-depth perspective to the Independent Directors on various aspects of the Company's business and ways of working. Further, the Company also provides periodic insights and updates to the entire Board, including Independent Directors and other Non-Executive Directors, regarding business, innovation, ESG, human capital management, culture, Go-to-Market strategies, technology, etc.

As part of the Board retreats held each year, the management conducts deep-dive sessions for the entire Board on core strategic priorities and other critical business matters.

In accordance with provisions of Regulation 25(7) and 46(2) of the Listing Regulations, particulars of the Familiarisation Programme, including the topics covered and details of the programmes conducted during the year under review are elaborated in the Corporate Governance Report, which forms part of this Integrated Annual Report and have also been placed on the website of the Company at https://www.paragmilkfoods.com/investors.php under Corporate Governance/Policy section.

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

In terms of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of Directors of your Company, on recommendation of the Nomination and Remuneration Committee, had adopted a 'Nomination and Remuneration Policy for appointment and remuneration of Directors, Key Managerial Personal and other employees' ("Remuneration Policy").

The Remuneration Policy, includes the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178(3) of the Act, is made available on the Company's website at https://www.paragmilkfoods.com/policy.php?id=38.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board, having considered the internal financial control and compliance framework instituted and maintained by the Company, the audits conducted by the Internal, Statutory, Cost and Secretarial Auditors, including the statutory auditors' examination of internal financial controls over financial reporting and the evaluations carried out by the Management and the relevant Board Committees, including the Audit Committee, is satisfied that the Company's internal financial controls were adequate and functioned effectively during FY 2025–26.

Pursuant to the provisions under Section 134(3)(c) of the Act, with respect to Directors' Responsibility Statement for FY 2025-26, the Directors of the Company confirm that:

a) in the preparation of the annual financial statements for the financial year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual financial statements for the Financial Year ended March 31, 2026 on a going concern basis;

e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

Pursuant to the Members' approval, your Company has implemented 'Parag Milk Foods Limited – Employee Stock Options Plan 2022' ("ESOP scheme") during the period under review. There has been no revision in the ESOP scheme during the period under review.

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

M/s. N L Bhatia and Associates, Secretarial Auditors of the Company, have certified that the ESOP Scheme is in conformity with the SBEB Regulations and that the Company has complied with the relevant provisions of the Act.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established an adequate and effective system of Internal Financial Controls to ensure orderly and efficient conduct of business operations. These controls ensure adequacy with reference to the Financial Statements, compliance with policies, safeguarding of assets, prevention and detection of frauds & errors and maintenance of accurate accounting records. Assurance regarding the effectiveness of these controls is derived from management reviews, self-assessment processes, continuous monitoring by departmental heads, and evaluations performed by the internal auditors.

The Company's internal financial control system over financial reporting ensures that all transactions are authorised, recorded, and reported correctly in a timely manner in order to provide reliable financial information and to comply with applicable accounting standards which also commensurate with the size, volume and nature of business of the Company.

The Company believes that these systems provide reasonable assurance that the Company's internal financial controls are adequate and are operating effectively as intended. During the year under review, such controls were tested by the Statutory Auditors of the Company and no material weaknesses or significant deficiencies in the design or operations were observed and reported by the Statutory Auditors. Details of the internal controls system are provided in the Management Discussion & Analysis Report which forms a part of this Integrated Annual Report.

In the opinion of the Audit Committee and the Board, the Company's Internal Financial Controls are adequate and operating effectively, without any material weaknesses.

RISK MANAGEMENT GOVERNANCE

The Company regularly identifies uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact the Company's long-term plans. The Company incorporates these risk mitigation steps in its strategy and operating plans, ensuring that all identified risks are adequately addressed. This involves developing action plans to reduce the likelihood and impact of risks occurring, as well as contingency plans to manage risks if they do materialise. Further, we have established a well-defined and structured framework to systematically identify, assess and prioritise risks across our businesses and functions.

The Board defines the Company's risk framework including risk management policy and oversees management in managing and reducing risks across the business.

The Risk Management Committee assists the Board in overseeing the Company's risk management framework and monitoring management's efforts to identify, assess, and mitigate risks. Board has an overall responsibility for governance of Company's risk management. The detailed terms of reference and the composition of RMC are set out in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Through continuous monitoring and review, the Company ensures that its risk management practices remain effective and responsive to the changing business environment. This ongoing process helps to enhance the Company's resilience and ability to achieve sustainable growth.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes highest standards of business ethics and integrity and ensures compliance to applicable laws. Company continues to believe in conducting its affairs in a fair and transparent manner by adopting highest standards of honesty, integrity, professionalism and ethical behaviour.

The Company has established a Vigil Mechanism / Whistle-blower Policy in accordance with the provisions of Section 177(9) of the Act and Regulation 22 of the Listing Regulations with a view to provide a platform and mechanism for employees, Directors and other stakeholders of the Company to report actual or suspected unethical behaviour, fraud or violation of the Company's Code of Conduct, ethics, principles and matters specified in the policy without any fear of retaliation, and also provide for direct access to the Chairperson of the Audit Committee as the case may be, in exceptional cases.

During the year under review, one protected disclosure was received and addressed by the Company.

Further details on the functioning of this mechanism is included in the Corporate Governance Report forming part of this Integrated Annual Report. The policy is available on the Company's website and can be accessed at: https://www.paragmilkfoods.com/policy.php?id=42

CORPORATE SOCIAL RESPONSIBILITY

An overview of the Company's CSR philosophy, the salient features of the CSR Policy, Composition of CSR committee and the CSR activities carried out during the year under review are presented in this Report as per the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and are annexed herewith as Annexure II to this report.

CSR initiatives undertaken by the Company are aligned with its CSR Policy, which has been formulated in accordance with the provisions of the Act. The CSR Policy is available on the Company's website at https://www.paragmilkfoods.com/policy.php?id=53.

RELATED PARTY TRANSACTIONS

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on Related Party Transactions, formulated and adopted by the Company. Omnibus approval is obtained from the Audit Committee for the transactions which are of a repetitive nature and particulars of such transactions are placed before the Audit Committee on a quarterly basis.

All contracts / arrangements / transactions entered by the Company during the year under review with related parties were in the ordinary course of business and on arm's length pricing. Further, the Company had not entered into any contract, arrangement, or transaction with related parties that could be considered material under the Company's Policy on Related Party Transactions, the Act, or the Listing Regulations. Therefore, there were no material related party transactions requiring disclosure in Form AOC-2 pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 and Section 188 of the Act. Accordingly, disclosure in Form AOC-2 is not applicable.

The Company's Policy on Related Party Transactions is available on the website of the Company at https://www.paragmilkfoods.com/policy.php?id=40.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY

During the period under review, your company has complied with the requirements of Section 186 of the Act and the applicable Rules thereunder in respect of loans given, investments made and guarantees given & securities provided. Particulars of the same are provided in Note No. 6 and 7 to the Standalone Financial Statements, which form part of this Integrated Annual Report.

BUY BACK

The Company has not bought back any of its securities during the Financial Year ended March 31, 2026.

DEPOSITS FROM PUBLIC

During the year under review, 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. Further, no amount has been borrowed from the Directors of the Company.

Further, no amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2026.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is committed to create and provide a safe environment, which is free from discrimination and harassment including sexual harassment for all its employees. The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act'), which mandates no tolerance against any conduct amounting to workplace sexual harassment. To promote awareness on the same, the Company conducts periodic online training at the time of induction and refresher programmes. This Policy applies to all employees, including permanent, contractual, temporary staff, and trainees at the Company's workplace or at client sites.

In accordance with the requirements of the POSH Act and the Rules framed thereunder, the Company has constituted Internal Complaints Committee(s) to address and resolve complaints pertaining to sexual harassment.

The Company prohibits and has zero tolerance towards any actions relating to workplace sexual harassment and it is dealt expeditiously and fairly through prompt and thorough investigation whenever any instance in this regard is reported, the details of which are as under:

No. of complaints received	:	Nil
No. of complaints disposed off	:	NA
No. of complaints pending	:	NA
No. of complaints pending for more than 90 days	:	NA

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

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, a separate section comprising Management Discussion and Analysis Report, Business Responsibility and Sustainability Report, and Corporate Governance Report is included in this Integrated Annual Report.

The Corporate Governance Report is accompanied by a certificate from a Practicing Company Secretary confirming compliance with the provisions relating to Corporate Governance under the Listing Regulations.

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

The Company continues to place strong emphasis on energy conservation, consistently adopting innovative measures to reduce wastage and enhance energy efficiency across its operations.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, are provided in the prescribed format and are annexed as Annexure III to this report.

ANNUAL RETURN

Annual Return of the Company prepared as per Section 92(3) of the Act for the financial year ended March 31, 2026 in Form MGT-7, is available on the Company's website and can be accessed under 'Annual Reports' tab at https://www.paragmilkfoods.com/investors.php.

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

The statement containing details of the top ten employees in terms of remuneration drawn and employees drawing remuneration in excess of prescribed amount, as required under 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, as amended, forms part of this Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members, excluding the aforesaid statement. The statement is open for inspection and will be made available upon request by shareholder by writing at investors@parag.com.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant and material orders were passed by any of the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to 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

Pursuant to the provisions of Section 139 of the Act, the Members at the 33rd AGM held on September 29, 2025 approved the re-appointment of M/s. Sharp and Tannan, Chartered Accountants, Mumbai (Firm registration No. 109982W), as the Statutory Auditors of the Company for a second term of five consecutive years, from the conclusion of 33rd AGM upto the conclusion of 38th AGM. In terms of Section 139 and 141 of the Act and relevant Rules prescribed thereunder, M/s. Sharp and Tannan, Chartered Accountants have confirmed that they are not disqualified from continuing as an Auditors of the Company and hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditor's Report for the financial year ended March 31, 2026 on the financial statements of the Company forms part of this Integrated Annual Report. The said report was issued by the Statutory Auditor with an unmodified opinion and does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

Internal Auditors

Pursuant to provisions of Section 138 of the Act and the rules made thereunder, on the recommendation of the Audit Committee, the Board at its Meeting held on July 21, 2025 re-appointed M/s. Deloitte Touche Tohmatsu India LLP, as Internal Auditors of the Company for a period of two financial years commencing from FY 2025-26.

An annual audit plan is prepared at the commencement of each financial year and is implemented upon obtaining the approval of the Audit Committee. The objective of the audit plan is to review the effectiveness and sufficiency of the Company's internal control framework, assess compliance with such controls, and examine the strength of internal processes, policies, accounting practices, and adherence to applicable statutory and regulatory requirements. Based on the findings and recommendations of the internal auditor, the concerned functional heads initiate and implement appropriate remedial measures within their respective functions.

Cost Auditors

Pursuant to the provisions of Section 148 of the Act, the Company is required to maintain cost records. It is hereby confirmed that the Company has duly maintained such cost records in compliance with the requirements of the said section.

Further, pursuant to Section 148 of the Act read with Rule 14 of the Companies (Cost Records and Audit) Rules, 2014, the cost records of the Company are required to be audited by a qualified Cost Accountant. During FY 2025-26, the Company filed the Cost Audit Report for FY 2024-25 issued by M/s. Harshad Deshpande and Associates, Cost Accountants, Pune (Firm Registration Number: 00378) with the Ministry of Corporate Affairs on August 18, 2025. The said report did not contain any qualification, reservation, adverse remark or disclaimer. No fraud was reported by the Cost Auditors and therefore, no details are required to be disclosed under Section 134(3)(ca) of the Act.

The Board, upon the recommendation of the Audit Committee, has re-appointed M/s. Harshad Deshpande and Associates, Cost Accountants, Pune (Firm Registration Number: 00378) to conduct audit of the cost records of the Company for FY 2026-27. Accordingly, the Board of Directors recommends to the Members for approval of ratification of the remuneration payable to the Cost Auditors for FY 2026-27, at the ensuing AGM.

Secretarial Auditors

Members at 33rd AGM has approved appointment of M/s. N L Bhatia & Associates, Practicing Company Secretaries (UIN: P1996MH055800), as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025–26 till FY 2029–30.

The Secretarial Audit Report issued by M/s. N L Bhatia & Associates pursuant to the provisions of Section 204 of the Act read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in Annexure V to this Report.

In compliance with Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report issued by the Secretarial Auditor was submitted to the Stock Exchanges within the statutory timelines.

The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2025-26, do not contain any qualification, reservation, or adverse remark.

No fraud was reported by the Secretarial Auditors and therefore, no details are required to be disclosed under Section 134(3)(ca) of the Act.

OTHER DISCLOSURES

Pursuant to the provisions of Companies (Accounts) Rules, 2014, the Company affirms that for the year ended on March 31, 2026:

- No application has been made under the Insolvency and Bankruptcy Code 2016. Hence the requirement to disclose the details of the application made or any proceeding pending under the said code during the year along with their status as at the end of the financial year is not applicable.
- There was no instance of one-time settlement with any bank or financial institution.
- No shares with differential voting rights and sweat equity shares have been issued during the year under review.
- The Company has complied with the provisions of the Maternity Benefit Act, 1961 and the rules made thereunder. The Company ensures a supportive work environment for women employees during pregnancy and maternity.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to thank the employees for their dedicated service and firm commitment to the goals and vision of the Company. Our consistent growth was possible by their hard work, co-operation and support. Your Board also wishes to place on record its sincere appreciation and gratitude for the wholehearted support received from the governments of the countries in which the Company operates, members, farmers regulatory authorities, distributors, third party manufacturers, bankers and all other business associates. We look forward to continued support of all these partners in the future.

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

Devendra Shah
Executive Chairman
(DIN: 01127319)

Mumbai
May 7, 2026

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, 2026

Part "A": Subsidiaries

Details of Subsidiaries

I. Number of subsidiaries: 1

(₹ in Crore)

Sr. No.	Name of the Subsidiary	Bhagyalaxmi Dairy Farms Private Limited
1.	CIN / any other registration number of subsidiary company	U01211PN2003PTC018624
2.	Date since when subsidiary was acquired	December 2, 2003
3.	Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i) / Section 2(87)(ii))	Section 2(87)(ii)
4.	Reporting period for the subsidiary - concerned, if different from the holding company's reporting period	From: April 1, 2025 To: March 31, 2026
5.	Reporting Currency and Exchange rate as on the last date of the relevant - Financial year in the case of foreign subsidiaries	Indian Rupees
6.	Share Capital	7.79
7.	Reserves & Surplus	64.22
8.	Total Assets	306.45
9.	Total Liabilities	234.44
10.	Investments	-
11.	Turnover (total revenue including other income)	197.47
12.	Profit / (Loss) before Taxation	(6.40)
13.	Tax Expense / (Benefit)	9.43
14.	Profit / (Loss) after Taxation	(15.83)
15.	Other Comprehensive Income	(0.01)
16.	Total Comprehensive Income	(15.82)
17.	Proposed Dividend	Nil
18.	% of shareholding	100%

II. Number of subsidiaries which are yet to commence operations: 1

Sr. No.	CIN /any other registration number	Names of subsidiaries which are yet to commence operations
1.	110100925	Parag Foods Middle East FZE

III. Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year: Nil

Part "B": Associates and Joint Ventures

IV. Number of associate or joint venture: Nil

V. Number of associates or joint ventures which are yet to commence operations: Nil

VI. Number of associates or joint ventures which have been liquidated or have ceased to be associate or joint venture during the year: Nil

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

Devendra Shah
Executive Chairman
DIN: 01127319

Mumbai
May 7, 2026

ANNEXURE - II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FY 2025-26

[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

Pursuant to the provisions of the Companies Act, 2013 and the rules prescribed thereunder, the Company has formulated a CSR Policy. CSR initiatives outlined in the Policy are undertaken by the Company based on the availability of suitable opportunities and their potential for positive community impact.

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 Promoting Education, Animal Welfare, Eradicating hunger, Poverty and Malnutrition and Integrated Renewable & Sustainable Energy around which your Company focuses its CSR initiatives and channelizing the resources in a sustained manner.

The Company remains committed to fostering the social and economic progress of the communities surrounding its areas of operation. Its CSR Policy provides a comprehensive framework for the planning, execution, monitoring, assessment, documentation and reporting of CSR initiatives undertaken by the Company.

Through its CSR interventions, the Company seeks to address the diverse requirements of communities located near its manufacturing facilities and plants by implementing sustainable programmes focused on healthcare, education, animal welfare, infrastructure development, community upliftment, and relief measures during natural disasters and public health emergencies.

2. Composition of CSR Committee

The Composition and Particulars of Meetings held and attendance of the Members during the FY 2025-26 are as follows:

Sr. No.	Name of the Member	Designation	Category	No. of Meetings during Tenure	
				Held	Attended
1	Ms. Akshali Shah(i)	Chairperson	Executive	2	2
2	Mr. Devendra Shah	Member	Executive	2	2
3	Mr. Dnyanesh Darshane(ii)	Member	Independent	1	1
4	Ms. Namrata Garud(ii)	Member	Independent	1	1
5	Ms. Radhika Dudhat(iii)	Member	Independent	1	1
6	Mr. Narendra Kumar Ambwani(iii)	Member	Independent	1	NIL

Notes:

(i) Ms. Akshali Shah re-categorized as Chairperson of the CSR Committee w.e.f. May 2, 2025

(ii) Mr. Dnyanesh Darshane and Ms. Namrata Garud inducted as Membes of the CSR Committee w.e.f. May 2, 2025

(iii) Mr. Narendra Kumar Ambwani and Ms. Radhika Dudhat ceased to be Member of the CSR Committee w.e.f. May 2, 2025

Further information relating to the CSR Committee is provided in the Corporate Governance Report, which forms an integral part of this Integrated Annual Report.

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 > Corporate Governance > Board Committee

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

CSR Projects: https://www.paragmilkfoods.com/policy.php?id=62

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: ₹ 82.36 Crore
   b. Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 1.65 Crore
   c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
   d. Amount required to be set-off for the financial year, if any: Nil
   e. Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 1.65 Crore

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1.66 Crore
   b. Amount spent in Administrative overheads: Nil
   c. Amount spent on Impact Assessment, if applicable: N.A.
   d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 1.66 Crore
   e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the financial year (in Crores.)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso of Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 1.66	N.A.			N.A.	

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

Sr. No	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	1.65
(ii)	Total amount spent for the Financial Year	1.66
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any.	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.01

Note: The Company has spent a total amount of ₹1.66 Crore in the year which is ₹0.01 Crore in excess of its CSR obligation. However, the Company does not propose to claim any set-off for the excess amount.

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		
				Nil				

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

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

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

Pritam Shah
Managing Director and Interim CFO
DIN: 01127247

Akshali Shah
Chairperson of CSR Committee
DIN: 06575079

Mumbai
May 7, 2026

ANNEXURE - III

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

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

A. CONSERVATION OF ENERGY

The information pertaining to the total energy consumption during the financial year 2025-26 is disclosed under Principle 6 of Business Responsibility and Sustainability Report, which forms part of this Integrated Annual Report.

B. STEPS TAKEN DURING THE YEAR FOR ENERGY CONSERVATION

During the FY 2025-26, the following steps were undertaken by the Company at its primary plant at Manchar which resulted in saving in energy consumption:

i. The contracted solar power capacity was increased to 8.4 MVA, leading to enhanced utilization of renewable energy resources.

ii. Variable Frequency Drives (VFDs) were installed on river water pumps, eliminating dependence on diesel consumption.

iii. A VFD was also implemented for the boiler feed water pump to optimize power usage.

iv. A high-speed milk and curd pouch packing machine was commissioned, improving operational efficiency and reducing energy consumption per unit of output.

v. Power capacity from MSEDCL was upgraded from 4.5 MVA to 8.4 MVA, enabling full plant capacity utilization and reducing reliance on diesel generator (DG) sets.

vi. A 25 KL energy-efficient milk pasteurizer was installed in the cheese milk processing line.

vii. The PP-1 steam radiator was replaced to enhance heat transfer efficiency and minimize flash steam losses.

viii. The boiler steam line diameter was increased to reduce pressure drop and improve overall steam distribution efficiency.

C. RESEARCH AND DEVELOPMENT (R&D)

Our Research & Development (R&D) team remains focused on developing innovative products and enhancing existing processes. During the year, the team was further strengthened with experienced professionals whose expertise has substantially advanced our innovation initiatives.

The R&D team continues to identify and evaluate new opportunities aligned with the dairy and dairy products sector, including the sweet category and other value-added products, enabling the Company to remain competitive and responsive to evolving market trends.

Launched Products under the Health Supplement category, Dairy category (FY 2025-26):

In Cheese, our innovation agenda increasingly extends beyond retail consumption into the rapidly growing Quick Service Restaurant ecosystem. Products such as Cheese Volcano and Cheese Burst have been developed to address the needs of Quick Service Restaurant and food-service partners, where product performance, meltability, consistency and indulgent eating experiences are critical. This enables us to participate not only in household consumption, but also in the rapidly evolving out-of-home food economy.

Avvatar Brand Development:

FY26 was also a year of significant portfolio expansion for Avvatar. As protein consumption becomes more mainstream, our ambition is to make protein more accessible across different consumer needs, lifestyles and consumption occasions.

During the year, we expanded beyond our established whey protein portfolio with offerings such as Avvatar Fuel Whey and Creatine, while strengthening our Performance Whey portfolio. We also introduced travel-friendly formats, including single-serve sachets, making protein easier to carry and consume for consumers with active lifestyles. The Avvatar portfolio today spans protein powders, convenient protein formats and performance-focused nutrition, allowing us to participate across multiple occasions rather than being restricted to a single product format.

Further, we also introduced Protein Wafer Bars in Coffee, Cheese, and Tiramisu flavors and a limited-edition Matcha variant in the Protein Wafer Bar range.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Following are the details of the foreign exchange earned and used during the FY 2025-26:

(₹ In Crore)

Particulars	FY 2025-26	FY 2024-25
Foreign exchange earned	39.80	32.74
Foreign exchange used	13.62	5.06

E. TECHNOLOGY ABSORPTION

The Company continues to adopt modern technologies to improve operational efficiency, product quality, and environmental compliance. The following measures were implemented during the FY 2025-26:

1. A new flow wrapper machine was installed for efficient cheese slice packaging.
2. A 100 KL Sewage Treatment Plant (STP) was commissioned to enhance wastewater management capabilities.
3. A new Cleaning-in-Place (CIP) circuit was installed in the cheese plant to improve hygiene and process efficiency.
4. A carbon column was installed in the whey plant to enhance purification processes.
5. The 3 TPH oil-fired boiler was automated using PLC and HMI systems, improving operational control and efficiency.
6. Two additional crystallizers were installed in the whey plant to increase processing capacity.
7. A 15 KL decanter was installed in the Effluent Treatment Plant (ETP) to strengthen solid-liquid separation efficiency.
8. An Individual Quick Freezing (IQF) system was installed for mozzarella cheese dicing, ensuring better product quality and consistency.
9. A tanker CIP system was installed to enhance hygiene standards and improve milk quality.
10. An Electrostatic Precipitator (ESP) was installed in the 22 TPH boiler to reduce stack emissions and improve environmental compliance.

ANNEXURE - IV

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 2025-26	See table 1 below
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2025-26.	See table 2 below
3.	The percentage increase / decrease in the median remuneration of employees in the financial year 2025-26	The percentage increase in the median remuneration of employees (excluding Executive Directors) in the financial year 2025-26 is 3%.

1.

Name of the Directors	Category	Ratio (In x times)	No. of ESOPs granted during FY 2025-26
Mr. Devendra Shah	Executive Chairman	181.11	N. A.
Mr. Pritam Shah	Managing Director & Interim Chief Financial Officer	181.11	N. A.
Ms. Akshali Shah	Executive Director	181.11	N. A.
Mr. Dnyanesh Darshane	Independent Director	12.22	N. A.
Mr. Amitabha Mukhopadhyay(i)	Independent Director	N. A.	N. A.
Mr. Milind Patil(i)	Independent Director	N. A.	N. A.
Ms. Namrata Garud(ii)	Independent Director	N. A.	N. A.
Mr. Narendra Ambwani(ii)	Independent Director	N. A.	N. A.
Mr. Nitin Dhavalikar(ii)	Independent Director	N. A.	N. A.
Ms. Radhika Dudhat(ii)	Independent Director	N. A.	N. A.
Mr. Nikhil Vora	Non-Executive Director	-	-

a. The median remuneration of all the employees of the Company was ₹0.04 Crore per annum

b. The aforesaid details are calculated on the basis of remuneration paid / payable for the FY 2025-26 and include commission and sitting fees as applicable.

c. The remuneration to Directors is within the overall limits approved by the shareholders of the Company.

d. Figures have been rounded off wherever necessary.

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

2.

Name of the Directors/ CFO and CS	Category	% Increase in remuneration
Mr. Devendra Shah	Executive Chairman- Whole Time Director	97.58
Mr. Pritam Shah	Managing Director & Interim Chief Financial Officer	97.58
Ms. Akshali Shah	Executive Director	262.22
Mr. Dnyanesh Darshane	Independent Director	37.50
Mr. Amitabha Mukhopadhyay(i)	Independent Director	N.A
Mr. Milind Patil(i)	Independent Director	N.A
Ms. Namrata Garud(ii)	Independent Director	N.A
Mr. Narendra Ambwani(ii)	Independent Director	N.A
Mr. Nitin Dhavalikar(ii)	Independent Director	N.A
Ms. Radhika Dudhat(ii)	Independent Director	N.A
Mr. Nikhil Vora	Non-Executive Director	N.A.
Mr. Virendra Varma	Company Secretary & Compliance Officer	10.71

Sr. No.	Disclosure Requirement	Disclosure Details
4.	Number of permanent employees on the rolls of the Company	There were 2,073 permanent employees of Parag Milk Foods Limited excluding Executive Directors as on March 31, 2026.
5.	The average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	For the employees other than managerial personnel who were in employment in FY 2025-26, the average increase is 9%. Average Increase in managerial remuneration is 152%. The increase in managerial remuneration during the year is attributable to the re-appointment of Mr. Devendra Shah as Executive Chairman, Mr. Pritam Shah as Managing Director and Ms. Akshali Shah as Executive Director of the Company, on the terms and conditions (including payment of remuneration by way of salary, perquisites, benefits and allowances, performance incentive, commission etc.) approved by the Members through Postal Ballot on July 19, 2025, as set out in the Explanatory Statement annexed to the Postal Ballot Notice. The remuneration paid is commensurate with the size of the Company and the profile, knowledge, skills, experience and responsibilities shouldered by Mr. Devendra Shah, Mr. Pritam Shah and Ms. Akshali Shah. Further, the remuneration paid is consistent with industry standards and comparable to that of the similar counterparts in other companies.
6.	The key parameters for any variable component of remuneration availed by the directors	Pursuant to approval of Shareholders in the AGM held on September 27, 2023, following is the gist of parameters applicable for variable component: a. **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. b. **Limit for payment of commission to the Executive Directors:** Executive Directors shall be entitled to Commission on profits or in any other form as NRC and the Board of Directors may determine from time to time subject to a maximum limit of 1% of Consolidated Profit Before Tax of the Company per annum, over and above the Maximum Remuneration, as approved.
7.	Affirmation that the remuneration is as per the Remuneration Policy of the Company	Yes, it is confirmed.

[i] Mr. Amitabha Mukhopadhyay and Mr. Milind Patil were appointed as Independent Director of the Company w.e.f. May 22, 2025. Accordingly, the ratio of median remuneration and percentage increase in remuneration are not comparable.

[ii] Ms. Namrata Garud was appointed as Independent Director of the Company w.e.f. May 2, 2025. Accordingly, the ratio of median remuneration and percentage increase in remuneration are not comparable.

[ii] Mr. Narendra Ambwani and Ms. Radhika Dudhat retired as an Independent Directors of the Company with effect from May 26, 2025, and Mr. Nitin Dhavalikar with effect from July 28, 2025. Accordingly, the ratio of median remuneration and percentage increase in remuneration are not comparable.

ANNEXURE - V

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PARAG MILK FOODS LIMITED
CIN: L15204PN1992PLC070209

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good governance practices by **PARAG MILK FOODS LIMITED** (herein after 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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the period covering from the April 1, 2025 to March 31, 2026 ('the Audit period') 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, 2026 according to the provisions of:

a) The Companies Act, 2013 ("the Act") and the Rules made thereunder;

b) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 read with the notifications, guidelines and circulars issued by Securities and Exchange Board of India or Stock Exchanges in this regard, to the extent applicable to the Company:

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;

   ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   v. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   vi. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);

   vii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding Companies Act, 2013 and dealing with client;

   viii. The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

   ix. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**); and

   x. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (**Not Applicable to the Company during the Audit Period**);

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) with respect to Board and General Meetings.

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, having regards to the compliance framework prevailing in the Company and the examination of the pertinent documents and records maintained thereof, it is ascertained, on a test check basis, that the Company has predominantly adhered to the following regulations that are specifically applicable to its operations:

a. Food Safety and Standards Act, 2006 and its rules and regulations made there under;

b. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011;

For the purpose of other laws applicable specifically to the Company, we have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other laws as may be applicable specifically to the Company and verification of document and records.

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. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

Decisions at the Meetings of the Board of Directors and of the Committees thereof were carried out unanimously as recorded in the minutes of the Meetings of Board of Directors and/or Committee(s) of the Board, as the case may be.

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines. All the notices and orders received by the Company pursuant to the abovementioned laws have been adequately dealt with/duly replied/complied with.

We further report that, during the audit period, the members at the Extra-Ordinary General Meeting held on May 3, 2025, approved the issuance of 90, 00,000 convertible share warrants on a preferential basis.

We further report that, during the audit period, the Finance Committee of the Board of Directors, at its meeting held on September 29, 2025, approved the conversion of 10,680 Foreign Currency Convertible Bonds (FCCBs) held by International Finance Corporation into 57,33,713 fully paid-up equity shares of face value ₹10 each.

We further report that, during the audit period, the members at the Annual General Meeting held on September 29, 2025, approved the dividend on equity shares at the rate of 10% i.e. ₹ 1/- per equity share for the financial year ended March 31, 2025.

For N L Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800
P/R No.: 6392/2025

Bharat Upadhyay
Partner
FCS:5436
CP. No: 4457
UDIN: F005436H000304922

Mumbai
May 7, 2026

Annexure A

Laws specifically applicable to the Company:

1. Tax Laws
   - The Income-tax Act, 1961
   - The Central Goods and Services Tax Act, 2017
   - The State Goods and Services Tax Acts, 2017
   - The Integrated Goods and Services Tax Act, 2017
   - The Union Territory Goods and Services Tax Act, 2017
   - Applicable State Professional Tax Acts
2. Employee Laws
   - The Code on Wages, 2019
   - The Industrial Relations Code, 2020
   - The Occupational Safety, Health and Working Conditions Code, 2020
   - The Code on Social Security, 2020
   - The Payment of Gratuity Act, 1972 (to the extent not subsumed and as applicable)
   - The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
   - The Employees' State Insurance Act, 1948
   - The Maternity Benefit Act, 1961
   - The Contract Labour (Regulation and Abolition) Act, 1970
   - The Apprentices Act, 1961
   - The Industrial Disputes Act, 1947 (to the extent applicable pending full implementation of codes)
   - The Employees' Compensation Act, 1923
3. The Consumer Protection Act, 2019
4. The Competition Act, 2002 Negotiable Instrument Act, 1981
5. Environmental Laws

   Applicable environmental laws including approvals and compliances under:
   - The Environment (Protection) Act, 1986
   - The Water (Prevention and Control of Pollution) Act, 1974
   - The Air (Prevention and Control of Pollution) Act, 1981
   - And other applicable local/state environmental regulations
6. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

To,
The Members,
PARAG MILK FOODS LIMITED,
CIN: L15204PN1992PLC070209
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 records 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 Account of the Company.

4. Wherever 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 N L Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800
P/R No.: 6392/2025

Bharat Upadhyay
Partner
FCS:5436
CP. No: 4457
UDIN: F005436H000304922

Mumbai
May 7, 2026

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practice. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from its culture and ethos. At Parag Milk Foods Limited ("Company" or "Parag"), it is imperative that our Company's affairs are managed in a fair and transparent manner.

We ensure that we evolve and follow not just the stated corporate governance guidelines, but also global best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company has been focussing on conducting its activities with integrity and a profound respect for the diverse individuals, organisations, and environments we impact, which is central to our corporate responsibility. Our journey is one of consistent growth, driven by innovative ideas and unwavering values. Beyond mere regulatory compliance, the Company is committed to fostering a culture of transparency, responsibility, and ethical conduct across all levels of the organisation.

Our Code of Business Principles ("Code") embodies our values and demonstrates our dedication to ethical practices throughout our operations. Our Code motivates us to conduct business with integrity and set governance standards that exceed legal requirements.

We believe in maintaining the highest standards of corporate conduct towards everyone we collaborate with, the communities we impact, and the environment we help shape. This approach ensures consistent, competitive performance and drives long-term value creation for all our stakeholders.

Our Governance Structure is multi-tiered, comprising the Board of Directors ("Board"), Board Committees and the Management Committee. Our business has always been driven by a sense of purpose and the belief that business must have purpose beyond profit bringing joy to people's lives through responsible and sustainable business practices. The Company is committed towards adoption of the best Corporate Governance practices by embodying values of trust, integrity, efficiency, transparency and ethical purpose throughout the organization.

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

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

2. BOARD OF DIRECTORS

A. COMPOSITION

The Board of Directors is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. Our policy is to have a mix of Executive Directors, Non-Executive Directors and Independent Directors, to maintain the Board's independence and separate its functions of governance and management.

As on March 31, 2026, the Board comprised of eight Directors, with four Non-Executive Independent Directors including one Independent Woman Director, One Non-Executive Non-Independent Director and three Executive Directors including Chairman, Managing Director and one Woman Executive Director.

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

The Board is dedicated to the objective of sustainably enhancing the Company's value creation which aims to streamline the decision-making process at the meetings of the Board and its Committees in an informed and effective manner. Additionally, the Board of Directors of the Company is fully dedicated to the best practices for effective Corporate Governance.

No Permanent Board Seat

The SEBI has amended the Listing Regulations with effect from April 1, 2024 mandating shareholders' approval for a director's continuation on the Board at least once every five years from the date of their appointment or re-appointment. As on March 31, 2026, there were no directors holding permanent board seats. They were either holding fixed term of not exceeding five years and/or were subject to retirement by rotation at least once in every five years.

B. BOARD MEETINGS

Five Board meetings were held during the financial year ended March 31, 2026. These were held on April 3, 2025, May 2, 2025, July 21, 2025, November 11, 2025 and February 4, 2026. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings. Video/tele-conferencing facilities are also used to facilitate Directors travelling/residing abroad or at other locations, to participate in the meetings. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, was made available to the Board. The agenda and explanatory notes are sent to the Board in advance.

The 33rd Annual General Meeting ("AGM") of the Company was held on September 29, 2025, by Video Conferencing ("VC") / Other Audio Visual Means ("AOVM") and through e-voting system of the National Securities Depository Limited ("NSDL").

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.

The composition of the Board, Nature of Directorship of the Board Members and their Directorship in other public companies as on March 31, 2026, along with their attendance at the AGM held on September 29, 2025 and Board Meetings held during FY 2025-26 are as under:

Name of the Director	Category	Number of Board Meetings attended during the tenure	Whether attended last AGM held on September 29, 2025 (Yes/No)	Number of Directorships in other Public Companies (iii)	Number of Committee positions held in other Public Companies (iv)	
					Chairperson	Member
Mr. Devendra Prakash Shah (DIN: 01127319)	Executive Chairman - Whole-Time Director (WTD) (Promoter)	5	Yes	1	Nil	Nil
Mr. Pritam Prakash Shah (DIN: 01127247)	Managing Director and Interim CFO (Promoter)	5	Yes	1	Nil	Nil
Ms. Akshali Devendra Shah (DIN: 06575079)	Executive Director (Promoter Group)	5	Yes	1	Nil	Nil
Ms. Namrata Garud (DIN: 10832812) (i)	Non- Executive Independent Director	3	Yes	1	Nil	Nil
Mr. Milind Anil Patil (DIN: 02546815) (ii)	Non- Executive Independent Director	3	Yes	1	1	1
Mr. Amitabha Mukhopadhyay (DIN: 01806781) (ii)	Non- Executive Independent Director	3	Yes	9	3	9
Mr. Dnyanesh Vishnu Darshane (DIN: 08515431)	Non-Executive Independent Director	5	Yes	2	Nil	Nil
Mr. Nikhil Kishorechandra Vora (DIN: 05014606)	Non-Executive Non-Independent Director	4	Yes	3	Nil	1

Notes:

(i) Ms. Namrata Garud was appointed as an Independent Director w.e.f. May 2, 2025.

(ii) Mr. Milind Anil Patil and Mr. Amitabha Mukhopadhyay were appointed as Independent Directors w.e.f. May 22, 2025.

(iii) Directorships in private limited companies, foreign companies and Section 8 companies are not considered.

(iv) Only Audit Committee and Stakeholders 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, 2026:

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
Ms. Namrata Garud	1) Universal Starch Chem Allied Limited	Independent Director
Mr. Milind Anil Patil	1) Rubicon Research Limited	Independent Director
Mr. Amitabha Mukhopadhyay	1) Foseco India Limited	Independent Director
	2) Sudarshan Colorants India Limited	Non-Executive Non-Independent Director
	3) Sudarshan Chemical Industries Limited	Non-Executive Non-Independent Director
	4) Sanghvi Movers Limited	Independent Director
	5) Quick Heal Technologies Limited	Independent Director
	6) Foseco Crucible (India) Limited	Independent Director
Mr. Dnyanesh Darshane	Nil	Nil
Mr. Nikhil Vora	1) Hindustan Foods Ltd.	Non-Executive Non-Independent Director
	2) Bikaji Foods International Ltd.	Independent Director

C. 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 Inter Se
Mr. Devendra Shah & Mr. Pritam Shah	Brothers
Mr. Devendra Shah & Ms. Akshali Shah	Father and Daughter

D. DISCLOSURE OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2026 are given below:

Name of Director	Category	Number of Equity Shares
Mr. Nikhil Vora	Non - Executive Director	1,60,700
Mr. Milind Patil	Independent Director	NIL
Mr. Amitabha Mukhopadhyay	Independent Director	NIL
Ms. Namrata Garud	Independent Director	NIL
Mr. Dnyanesh Darshane	Independent Director	NIL

None of the aforesaid Independent Directors held any equity shares of the Company during the financial year ended March 31, 2026.

E. INDUCTION AND FAMILIARISATION PROGRAMMES

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise. The Directors are encouraged to visit the plant and raw material sourcing locations of the Company and interact with the members of Senior Management as part of the induction programme and understand Company's operations. The Senior Management makes presentation giving an overview of the Company's strategy, operations, products, markets, group structure, subsidiaries, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

Throughout the year, the Board addresses various matters, including:

- Strategy and Business Plan: Approving business acquisitions, disposals and reviewing strategies for different categories of business.
- Operational Performance and Financial Management: Regularly reviewing operational and financial performances, recommending / approving dividends, etc.
- Governance and External Reporting: Considering feedback from the Audit Committee, approving results and reports and overseeing shareholder communication and important press releases.
- Culture and Stakeholders: Reviewing employee engagement programmes and investors feedback.
- Sustainability: Reviewing the sustainability agenda and plans in the areas of Climate, Nature, Plastic and Livelihood and reviewing strategies relating to the Corporate Social Responsibility initiatives.
- Political and Regulatory Environment: Receiving updates on macro environment and emerging laws and their implications.

- Risk and Internal Controls: Assessing the effectiveness of internal controls and reviewing risk management plans.
- These comprehensive familiarisation programmes ensures that the Directors are well-informed and prepared to contribute effectively to the Company's governance and strategic direction.
- The details of the familiarization Programs conducted during the year under review are available on the website of the Company at the following web-link: https://www.paragmilkfoods.com/policy.php?id=76

F. SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

Succession planning at Parag is a structured and meticulous process designed to facilitate seamless transitions in key roles, thereby ensuring organizational stability and sustained leadership continuity. The Company has implemented a robust framework to support smooth leadership transitions across the Board of Directors, Executive Directors, Senior Management, and other critical roles. This process adopts a collaborative approach, involving key corporate functions and leadership stakeholders. The Company also undertakes periodic reviews of its talent pool for senior management and key executive positions, providing a comprehensive assessment of leadership capabilities and readiness. This enables the Company to effectively address its critical talent requirements in alignment with its strategic objectives.

Further, the Company endeavors to maintain an optimal balance of skills and experience within both the organization and the Board, fostering the introduction of fresh perspectives while preserving institutional knowledge and continuity. The succession planning framework is closely aligned with the Company's long-term strategy and evolving business needs.

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

The Nomination and Remuneration Committee ("NRC") follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board includes:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Listed Company.
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law.
- professional qualifications, expertise, balance of skills and experience in specific area of relevance to the Company.
- avoidance of any present or potential conflict of interest.
- availability of time and other commitments for proper performance of duties; and
- personal characteristics being in line with the Company's values, such as Integrity, Respect, Responsibility and Pioneering.

In alignment with Listing Regulations, the Board has meticulously identified the requisite skills, expertise, and competencies of its Directors.

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

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:

Leadership Expertise	Expertise in leading well- governed large organisations, with an understanding of organisational systems and processes, complex business and strategic planning.
Crafting Business Strategies	Experience in developing long-term strategies in diverse business environments and changing economic conditions to ensure a consistent growth in Consumer facing / FMCG business in a manner that is profitable, competitive and sustainable.
Industry Knowledge	Experience in relevant industries and a clear understanding of the Company's operations, strategy, policies, culture and governance framework, along with awareness of key risks, challenges, opportunities, and the overall industry landscape.
Understanding of Emerging Markets and Consumer Insights	Understanding of emerging local & global trends and experience of having managed organisations with large consumer / customer interface in diverse business and economic environment which helps in leveraging consumer insights for business benefits.
Financial Expertise and Risk Management	Leadership experience in financial & risk management of large organisations with an understanding of accounting & financial statements and leading growth through acquisitions / other business combinations.

Sales, Marketing & Communications	Experience in strategising market share growth, building brand awareness, enhancing enterprise reputation. Understanding and experience in marketing and public promotion campaigns, adeptness in collecting consumer expectations and addressing grievances.
Experience of overseeing large and complex business operations requiring proven administrative & managerial skills	Experience of overseeing large and complex end to end operations across FMCG or similar industries, management of innovations, understanding of emerging science and technologies with proven administrative and managerial abilities.
Cyber Security, Digital / Information Technology & Data Governance	Understanding the use of Digital / Information Technology, Artificial Intelligence along with other future technologies, ability to anticipate technological driven changes & disruption and appreciation of the need of Cyber Security, Controls & Data Governance across the organisation.
Corporate Governance and Legal Framework	Possess relevant skills in providing the Board an oversight on all dimensions of business, guiding towards maintaining high Corporate Governance standards with an understanding of ever evolving legal & regulatory environment.
Purposeful Business & Sustainability / ESG	Demonstrates ability to integrate purposeful and sustainable practices into business operations, fostering positive environmental and social impacts while aligning with regulatory requirements.
People & Talent Development	Experience of providing guidance towards talent development and succession planning, ensuring the Company has a strong, diverse and high performing talent pool now and in the future.

The table below highlights the core areas of expertise / skills / competencies of the Board members:

Sr. No.	Particulars	DS	PS	AS	DD	NG	MP	AM	NV
1	Leadership Expertise	✓	✓	✓	✓	✓	✓	✓	✓
2	Crafting Business Strategies	✓	✓	✓	✓	✓	✓	✓	✓
3	Industry Knowledge	✓	✓	✓	✓	✓	✓	✓	✓
4	Understanding of Emerging Markets and Consumer Insights	✓	✓	✓	✓	✓	✓	✓	✓
5	Financial Expertise and Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
6	Sales, Marketing & Communications	✓	✓	✓	✓	✓	✓	✓	✓
7	Experience of overseeing large and complex business operations requiring proven administrative & managerial skills	✓	✓	✓	✓	✓	✓	✓	✓
8	Cyber Security, Digital / Information Technology & Data Governance	✓	✓	✓	✓	✓	✓	✓	✓
9	Corporate Governance and Legal Framework	✓	✓	✓	✓	✓	✓	✓	✓
10	Purposeful Business & Sustainability / ESG	✓	✓	✓	✓	✓	✓	✓	✓
11	People & Talent Development	✓	✓	✓	✓	✓	✓	✓	✓

Note: DS - Mr. Devendra Shah, PS - Mr. Pritam Shah, AS - Ms. Akshali Shah, DD - Mr. Dnyanesh Darshane, NG- Ms. Namrata Garud, MP- Mr. Milind Patil, AM-Mr. Amitabha Mukhopadhyay, NV - Mr. Nikhil Vora

The eligibility for appointment as a Director is determined by the individual's possession of the skill sets identified by the Board and a demonstrated track record of leadership in a business relevant to the Company's operations or recognized academic expertise in a related field. The Board comprises Directors drawn from diverse backgrounds, each bringing specialized knowledge and experience from their respective industries and domains.

3. DIRECTORS' INDEPENDENCE AND DECLARATIONS

All Independent Directors of the Company have submitted declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulations 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as on March 31, 2025. Further, in compliance with Regulation 25(8) of the Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstances or situations that exist or may be reasonably anticipated which could impair or impact their ability to discharge their duties with objective and independent judgment and without any external influence.

The Board of Directors, at its meeting held on May 7, 2026, reviewed the declarations submitted by the Independent Directors and, after due assessment of their veracity, noted that the Independent Directors fulfil the conditions specified under the Act and the Listing Regulations and are independent of the management.

Pursuant to the provisions of Section 164(2) of the Act, all Directors have provided annual declarations confirming that they are not disqualified from acting as Directors of the Company. In terms of the Listing Regulations, M/s. N L Bhatia and Associates, Practising Company Secretaries, have issued a certificate confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors by the SEBI, the Ministry of Corporate Affairs ("MCA"), or any other statutory authority. The said certificate forms part of this Integrated Annual Report.

Additionally, the Independent Directors have confirmed their registration with the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs.

4. SEPARATE MEETING OF INDEPENDENT DIRECTORS

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

During the financial year, the Independent Directors met without the presence of the Management. The meeting of Independent Directors was held on March 16, 2026 through Video Conference mode. At such meeting, the Independent Directors, *inter-alia*, discussed and reviewed, the performance of the Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity, and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to perform its duties effectively and reasonably, succession planning of the Board of Directors and Senior Management Personnel, Board composition, performance of the Company and risks faced by it, competition and strategy.

5. AVAILABILITY OF INFORMATION TO BOARD MEMBERS

The Board is provided with complete access to all information relevant to the Company, in line with the requirements of the Listing Regulations. This includes access to information relating to the Company's operations, financial position, and employees, to enable informed decision-making. The Board is regularly presented with all prescribed information, including but not limited to annual operating plans, budgets, capital budgets, quarterly and annual financial results, internal audit reports, risk management updates, significant transactions, compliance reports, and material developments.

Senior management personnel, functional heads and other executives are invited to Board and Committee meetings, as required, to provide detailed insights into agenda items and assist the Board in its deliberations. All Board and Committee members are provided with advance notice, detailed agenda, and explanatory notes, along with relevant supporting documents, to facilitate a comprehensive understanding of the matters to be discussed. The agenda is structured to cover all critical business matters, including strategic, operational, financial, and compliance-related aspects.

Significant matters such as acquisitions, major managerial decisions, material positive or negative developments, and statutory or regulatory issues are first reviewed by the respective Committees of the Board, wherever applicable, and thereafter placed before the Board for its consideration and approval. Minutes of the proceedings of Board and Committee meetings are recorded in accordance with applicable laws and secretarial standards, ensuring a true and fair summary of the discussions and decisions. Draft minutes are circulated to all Directors for their comments and are finalized thereafter and entered in the statutory registers.

The Company follows an effective system of post-meeting follow-up, including tracking of action points and presentation of action taken reports and pending items before the Board and its Committees in subsequent meetings. The Board also periodically reviews compliance reports on adherence to all applicable laws, rules, regulations, and internal policies, as part of its oversight responsibilities. During FY 2025–26, the Company has complied with the requirements of Part A of Schedule II of the SEBI Listing Regulations, and all the prescribed information was placed before the Board for its consideration.

6. COMMITTEES OF THE BOARD

The Board Committee(s) are essential for effective corporate governance, providing focussed oversight and specialised expertise in key areas. They enhance the Board's efficiency by allowing focussed discussions and in-depth analysis on specific topics, such as finance, audit, governance, and risk management. This division of responsibilities ensures thorough oversight, informed decision-making, and strategic focus, ultimately strengthening Company's overall Governance Framework. 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 Board has established the following statutory and non-statutory Committees: -

A. AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The Committee further reviews the processes and controls including compliance with laws, Parag Code of Conduct and Insider Trading Code, Whistle-blower Policies and related cases thereto.

Key Terms of Reference of the Committee

The Committee is governed by its terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations which include:

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 thereon;

xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post - audit discussion to ascertain any area of concern;

xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii) To review the functioning of the whistle blower mechanism;

xix) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx) Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding Rs. 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.

Composition, Name of Chairman and Members, Meetings and Attendance during the FY 2025-26:

The composition of the Audit Committee complies with the requirements laid down in Section 177 of the Act and Regulation 18 of Listing Regulations.

There were five meetings of the Audit Committee during FY 2025-26 on April 3, 2025, May 2, 2025, July 21, 2025, November 11, 2025 and February 4, 2026. 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. In accordance with the circular dated January 7, 2026 issued by the National Financial Reporting Authority and in consultation with the Statutory Auditors, the Board adopted a framework to ensure effective two-way communication between 'Those Charged with Governance' ("TCWG") and the Statutory Auditors of the Company.

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 composition of the Committee and the attendance details of the Members for the year ended March 31, 2026 are given below:

Sr. No.	Name of Members	Designation	Category	No. of Meetings during Tenure	
				Held	Attended
1)	Mr. Amitabha Mukhopadhyay(i)	Chairman	Independent	3	3
2)	Ms. Akshali Shah(ii)	Member	Executive	3	3
3)	Mr. Milind Patil(ii)	Member	Independent	3	3
4)	Mr. Dnyanesh Darshane	Member	Independent	5	5
5)	Mr. Nitin Dhavalikar(iii)	Member	Independent	2	2
6)	Mr. Narendra Kumar Ambwani(iii)	Member	Independent	2	1
7)	Mr. Pritam Shah(iii)	Member	Independent	2	2

Notes:

(i) Mr. Amitabha Mukhopadhyay inducted as a Member and Chairman w.e.f. May 22, 2025.

(ii) Mr. Milind Patil and Ms. Akshali Shah inducted as Members w.e.f May 22, 2025.

(iii) Mr. Nitin Dhavalikar, Mr. Narendra Kumar Ambwani and Mr. Pritam Shah ceased to be Members of Audit Committee w.e.f. May 22, 2025.

Mr. Amitabha Mukhopadhyay, Chairman of the Audit Committee was present at the 33rd AGM held on September 29, 2025.

B. NOMINATION AND REMUNERATION COMMITTEE

The purpose of the Nomination and Remuneration Committee is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board by identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors.

Key Terms of Reference of the Committee

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 which include:

i) Determine / recommend the criteria for appointment of Directors, Members of Management Committee and Key Managerial Personnel.

ii) 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.

iii) Evaluate the balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required for Independent Directors.

iv) Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension, etc.

v) Ensure succession planning (including the development of a diverse pipeline for succession) to the Board and the leadership development plans to enhance such succession planning.

vi) Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.

vii) 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.

The NRC also assists the Board in discharging its responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The Committee has formulated Remuneration Policy for Directors, KMPs and all other employees of the Company. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for Executive Directors and the Senior Management. The Committee reviews and recommends to the Board for its approval, the base salary, incentives / commission, other benefits, compensation or arrangements and executive employment agreements for the Executive Directors.

Composition, Name of Chairman and Members, Meetings and Attendance during the FY 2025 - 26

The composition of the Committee complies with the requirements laid down in Section 178 of the Act and Regulation 19 of Listing Regulations.

There were Three meetings of the Nomination and Remuneration Committee during FY 2025-26 on May 2, 2025, July 21, 2025 and November 11, 2025. The requisite quorum was present in all the Meetings.

The composition of the Committee and the attendance details of the Members for the year ended March 31, 2026 are given below:

Sr. No.	Name of Members	Designation	Category	No. of Meetings during Tenure	
				Held	Attended
1)	Mr. Dnyanesh Darshane(i)	Chairman	Independent	2	2
2)	Mr. Devendra Shah	Member	Executive	3	3
3)	Mr. Amitabha Mukhopadhyay(ii)	Member	Independent	2	2
4)	Ms. Namrata Garud(iii)	Member	Independent	2	2
5)	Ms. Radhika Dudhat(iv)	Member	Independent	1	1
6)	Mr. Nitin Dhavalikar(v)	Member	Independent	1	1
7)	Mr. Narendra Kumar Ambwani(v)	Member	Independent	1	NIL

Notes:

(i) Mr. Dnyanesh Darshane inducted as a Member and Chairman w.e.f. May 22, 2025.

(ii) Mr. Amitabha Mukhopadhyay inducted as a Member w.e.f. May 22, 2025.

(iii) Ms. Namrata Garud inducted as a Member w.e.f. May 2, 2025.

(iv) Ms Radhika Dudhat ceased to be Member of NRC w.e.f. May 2, 2025.

(v) Mr. Nitin Dhavalikar and Mr. Narendra Kumar Ambwani ceased to be Members of NRC w.e.f. May 22, 2025.

Mr. Dnyanesh Darshane, Chairman of the Nomination and Remuneration Committee was present at the 33rd AGM held on September 29, 2025.

Performance Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Company has laid down a structured process for annual performance evaluation of the Board, its Committees, and individual Directors.

NRC has formulated criteria for evaluation of performance of the Board, its Committees and each Director. The evaluation framework covers various aspects pertaining to the functioning of the Board, including composition, structure, effectiveness of processes, information flow, Board dynamics, governance oversight, skill sets, and performance of specific duties.

A structured questionnaire was circulated among the Directors covering, *inter-alia*, the following aspects:

- Composition and structure of the Board
- Qualifications, experience and competency of Directors
- Diversity of the Board
- Effectiveness of Board and Committee processes
- Quality of deliberations and decision-making

The Independent Directors were evaluated based on their contribution towards governance, control and strategic guidance. The key parameters included:

- Ability to contribute to and monitor corporate governance practices
- Bringing global best practices and perspectives to address business challenges and risks
- Participation in long-term strategic planning
- Commitment to fiduciary responsibilities, including active participation in Board and Committee meetings

The performance of individual Directors was evaluated based on parameters such as preparedness for meetings, participation, quality of contribution, flow of information, conduct, independent judgment and overall effectiveness.

The evaluation of Independent Directors was carried out by the entire Board, excluding the Director being evaluated. A consolidated report of evaluation based on inputs received from all Directors was prepared and presented before the Board. The Board discussed and noted the evaluation outcomes. Based on the evaluation, the Board noted that its composition is well-balanced with diversity in terms of expertise, experience, skills and gender, thereby enabling effective and transparent decision-making.

The Board also provided suggestions for further strengthening its functioning, including:

- Enhancing the quality and timeliness of information flow to Directors
- Increasing focus on key strategic and operational matters impacting the Company's performance
- Greater emphasis on emerging consumer trends and market developments
- Continued focus on industry risks, opportunities and evolving business environment

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ("SRC") considers and resolves the grievances of our shareholders, debenture holders and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends / interests, issue of new / duplicate certificates, general meetings and such other grievances as may be raised by the security holders from time to time.

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

Key Terms of Reference of the Committee

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

i) Resolving the grievances of the security holders of Company including complaints related to transfer / transmission of shares, non-receipt of annual report and declared dividends, issue of new / duplicate certificates, general meeting 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 to an Issue and Share Transfer Agent; and

iv) Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend.

Composition, Name of Chairman and Members, Meetings and Attendance during FY 2025-26

The composition of the Committee complies with the requirements laid down in Section 178 of the Act and Regulation 20 of Listing Regulations.

During the financial year 2025-26, the Committee met once during the year under review. SRC meeting was held on February 4, 2026. All the decisions and recommendations made by the Committee were approved by requisite majority of the Members of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The composition of the Committee and the attendance details of the Members for the year ended March 31, 2026 are given below:

Sr. No.	Name of Members	Designation	Category	No. of Meetings during the Tenure	
				Held	Attended
1)	Mr. Dnyanesh Darshane	Chairman	Independent	1	1
2)	Mr. Devendra Shah	Member	Executive	1	1
3)	Mr. Pritam Shah	Member	Executive	1	1
4)	Ms. Akshali Shah	Member	Executive	1	1

Mr. Dnyanesh Darshane - Chairman of the Committee was present at the 33rd AGM held on September 29, 2025.

Details of Complaints Received and Redressed during FY 2025-26

During the financial year ended March 31, 2026, 6 complaints were received from shareholders. All the complaints were resolved and no investor complaint was pending as on March 31, 2026. The Company acted upon all valid requests for share transfer and non-receipt of dividend warrants, received during FY 2025-26 and no such transfer is pending. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2026. The Company has an exclusive e-mail ID in place for easy and quick redressal of grievances of shareholders regarding their complaints, which is managed by the Secretarial team and Investor Relations team, a team designated specifically for dealing with Investor queries and grievances along with investor presentations.

Name and Designation of the Compliance Officer

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

Continuous efforts are made by the Company to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to communicate with the Company through their registered e-mail address and provide their 16-digit Demat Account Number and contact details to facilitate verification and prompt resolution of their queries and requests.

D. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee ("RMC") in line with the provisions of Regulation 21 of Listing Regulations, for framing, implementing and monitoring the risk management policy of the Company. The Committee assists the Board in fulfilling its oversight responsibility with respect to Enterprise Risk Management ("ERM"). 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.

Key Terms of Reference of the Committee

The Committee is governed by its terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations which include:

i) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

ii) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

iii) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

iv) Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

v) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

vi) Provide ongoing guidance and support for the refinement of the overall risk management;

vii) Ensure that management understands and accepts its responsibility for identifying, assessing and managing risk;

viii) Review appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

ix) Assign risk owners and approve action plans;

x) Approve company-wide Risk Assessment, Risk Profile and Business Continuity Plan;

xi) Update the leadership team from time to time on the ongoing ERM progress / changes; and

xii) Review internal and external risks, *inter-alia*, financial, operational, sectoral, sustainability / ESG, information, cyber security risks, legal and regulatory risks.

Composition, Name of Chairperson, Members and Meetings and Attendance during FY 2025-26

The composition of the Committee complies with the requirements laid down in Regulation 21 of Listing Regulations. During the financial year 2025-26, the Committee met twice. RMC meetings were held on May 2, 2025 and November 11, 2025. All the decisions and recommendations made by the Committee were approved by requisite majority of the Members of the Committee. Mr. Dnyanesh Darshane - Chairman of RMC was present at the 33rd AGM held on September 29, 2025.

The Company Secretary acts as the Secretary to the Committee.

The Composition, Name of the Members, Chairperson and attendance of the Members during FY 2025-26 are as follows:

Sr. No.	Name of Members	Designation	Category	No. of Meetings during Tenure	
				Held	Attended
1)	Mr. Dnyanesh Darshane(i)	Chairman	Independent	2	2
2)	Mr. Pritam Shah	Member	Executive	2	2
3)	Mr. Amitabha Mukhopadhyay(ii)	Member	Independent	1	1
4)	Ms. Namrata Garud(iii)	Member	Independent	1	1

Sr. No.	Name of Members	Designation	Category	No. of Meetings during Tenure	
				Held	Attended
5)	Ms. Akshali Shah	Member	Executive	2	2
6)	Ms. Radhika Dudhat(iv)	Member	Independent	1	1
7)	Mr. Nitin Dhavalikar(v)	Member	Independent	1	1

Notes:

(i) Mr. Dnyanesh Darshane re-categorised as Chairperson of the RMC w.e.f. May 2, 2025.

(ii) Mr. Amitabha Mukhopadhyay inducted as a Member w.e.f. May 22, 2025.

(iii) Ms. Namrata Garud inducted as a Member w.e.f. May 2, 2025.

(iv) Ms Radhika Dudhat ceased to be Member of RMC w.e.f. May 2, 2025.

(v) Mr. Nitin Dhavalikar ceased to be Member of RMC w.e.f. May 22, 2025.

The Company has set up an Internal Compliance Management Tool (Teamlease) to periodically monitor and review the compliance requirements under different statutes, as applicable to the Company.

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 the various CSR initiatives of the Company and also to monitor implementation of the CSR initiatives.

Composition, Name of Chairperson and Members & Meetings and Attendance during FY 2025-26:

During FY 2025-26, the Committee met twice on May 2, 2025 and November 11, 2025.

Sr. No.	Name of Members	Designation	Category	No. of Meetings during Tenure	
				Held	Attended
1)	Ms. Akshali Shah(i)	Chairperson	Executive	2	2
2)	Mr. Devendra Shah	Member	Executive	2	2
3)	Mr. Dnyanesh Darshane(ii)	Member	Independent	1	1
4)	Ms. Namrata Garud(ii)	Member	Independent	1	1
5)	Ms. Radhika Dudhat(iii)	Member	Independent	1	1
7)	Mr. Narendra Kumar Ambwani(iii)	Member	Independent	1	NIL

Notes:

(i) Ms. Akshali Shah re-categorized as Chairperson of the CSR Committee w.e.f. May 2, 2025.

(ii) Mr. Dnyanesh Darshane and Ms. Namrata Garud inducted as "Members" of the CSR Committee w.e.f. May 2, 2025.

(iii) Mr. Narendra Kumar Ambwani and Ms. Radhika Dudhat ceased to be Member of the CSR Committee w.e.f. May 2, 2025.

Ms. Akshali Shah - Chairperson of the Committee was present at the 33rd AGM held on September 29, 2025. The Company Secretary acts as the Secretary to the Committee.

Key Terms of Reference of the Committee

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

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

OTHER COMMITTEES

In addition to the aforementioned statutory Committees, the Board has established the following other Committees aimed at elevating the standards of governance and addressing the specific business requirements. These Committees are accountable to the Board.

F. FINANCE COMMITTEE

The Board of Directors has constituted a Finance Committee to strengthen governance standards and address urgent business requirements. The Finance Committee was established with effect from August 10, 2016, to oversee routine operational matters arising in the normal course of business. These include decisions relating to banking relationships, delegation of operational powers, and appointment of nominees under applicable statutes. The Committee is also empowered to take decisions on behalf of the Board during the interval between two Board Meetings, particularly on routine matters and those requiring urgent consideration. Further, within specified limits, the Committee has been authorized to approve borrowings, transactions, and non-fund-based facilities.

During FY 2025-26, the Committee met 16 times. The details of composition of the Finance Committee and attendance of the Members at the Finance Committee Meetings during FY 2025-26 are as under:

Sr. No.	Name of Members	Designation	Category	No. of Meetings during Tenure	
				Held	Attended
1	Mr. Devendra Shah(i)	Chairman	Executive	16	16
2	Mr. Pritam Shah	Member	Executive	16	16
3	Ms. Akshali Shah(i)	Member	Executive	9	9
4	Mr. Nitin Dhavalikar(ii)	Member	Independent	7	7

Notes:

(i) Mr. Devendra Shah was categaorised as Chairman and Ms. Akshali Shah was inducted as Member of Finance Committee, w.e.f. July 28, 2025.

(ii) Mr. Nitin Dhavalikar ceased to be Chairman and Member of Finance Committee w.e.f. July 28, 2025

G. MANAGEMENT COMMITTEE

Apart from the Finance Committee, the Board of Directors has also constituted a Management Committee comprising Executive Directors to further strengthen governance standards and address pressing business requirements. The Management Committee was established with effect from August 5, 2023, to discharge responsibilities relating to routine administrative matters arising between regularly scheduled Board meetings. The Committee ensures that business strategies, day-to-day operations, and operational issues are carried out effectively and efficiently. It also facilitates adherence to good corporate governance practices and fosters a corporate culture that emphasises ethical conduct, integrity, and the smooth functioning of various processes within the Company, including the internal control systems.

No meeting of the Committee was held during the FY 2025- 26.

The details of composition of the Management Committee during FY 2025-26 are as under:

Sr. No.	Name of Members	Designation	Category
1	Ms. Akshali Shah	Chairperson	Executive
2	Mr. Devendra Shah	Member	Executive
3	Mr. Pritam Shah	Member	Executive

7. SENIOR MANAGEMENT

The details of Senior Management of the Company as on March 31, 2026 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 Operating Officer
3	Mr. Ankit Jain#	Chief Strategy Officer
4	Mr. Virendra Varma	Company Secretary & Compliance Officer

#Mr. Ankit Jain, Chief Strategy Officer, designated as Senior Management Personnel w.e.f. May 2, 2025.

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

No. of Appointments	No. of Cessations
1	Nil

8. DETAILS OF REMUNERATION PAID TO DIRECTORS

A. Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Directors (except Mr. Nikhil Vora) are paid sitting fees of Rs. 1,00,000 for attending Board and Statutory Committee Meetings. The total amount of sitting fees payable to Non-Executive Directors, including Independent Directors ('ID') during FY 2025-26 was Rs. 0.52 Crore. The Company also reimburses the out-of-pocket expenses, if any incurred by the Directors for attending the meetings.

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

The details of remuneration paid / payable to Non-Executive Directors, including Independent Directors for FY 2025-26 are as under:

(Rs. in Crore)

Name of Director	Sitting Fees		Commission	Total Remuneration
	Board Meeting	Committee Meeting		
Mr. Narendra Ambwani (ID)	0.01	0.01	-	0.02
Mr. Nitin Dhavalikar (ID)	0.03	0.04	0.05	0.12
Ms. Radhika Dudhat (ID)	0.02	0.03	-	0.05
Mr. Dnyanesh Darshane (ID)	0.05	0.11	0.28	0.44
Mr. Milind Patil (ID)	0.03	0.03	0.15	0.21
Ms. Namrata Garud (ID)	0.03	0.04	0.15	0.22
Mr. Amitabha Mukhopadhyay (ID)	0.03	0.06	0.19	0.28
Mr. Nikhil Vora* (NED)	NA	NA	NA	NA
TOTAL	**0.20**	**0.32**	**0.82**	**1.34**

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

B. Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director are recommended by the NRC to the Board and the Shareholders. The remuneration package of Whole- Time Directors and Managing Director is as approved by the shareholders at the General Meetings at the time of their appointment / re-appointment. The provision of payment of remuneration to Executive Directors forms part of their respective terms of appointment.

The tenure of office of the Whole-Time Directors is five years from their respective date of appointment. There is no specific provision for payment of severance fees to any of the Executive Directors. Also, out-of-pocket expenses as incurred by the Directors for business of the Company are reimbursed to them. Annual increments are linked to performance and are decided by the NRC and recommended to the Board for approval thereof.

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc. paid / payable to the Executive Directors for FY 2025-26 are given below:

(Rs. in Crore)

Name of Director	Designation	Fixed Salary & Perquisites	Sitting Fees	Commission	Total Remuneration
Mr. Devendra Shah	Executive Chairman	5.00	Nil	1.52	6.52
Mr. Pritam Shah	Managing Director	5.00	Nil	1.52	6.52
Ms. Akshali Shah	Executive Director	5.00	Nil	1.52	6.52
TOTAL		**15**	**Nil**	**4.56**	**19.56**

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 https://www.paragmilkfoods.com/policy.php?id=13. The Company does not have a material subsidiary as on the date of this Report, having a net worth or turnover exceeding 10% of the consolidated net worth / turnover 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 is provided in Note No. 7 to the standalone financial statements.

The minutes / resolutions of the Board Meetings of the subsidiary companies 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

A. Details of Annual General Meetings:

Location and Time where last three AGMs were held along with Special Resolutions passed thereat are given below:

Financial Year Ended	Date and Time (IST)	Venue	Special Resolution(s) Passed
33rd AGM for FY 2024-25	September 29, 2025 at 4:30 P.M.	VC / OAVM	No special resolutions were passed at this meeting.
32nd AGM for FY 2023 -24	September 11, 2024 at 11:00 A.M.	VC / OAVM	No special resolutions were passed in this meeting.
31st AGM for FY 2022-23	September 27, 2023 at 04:30 P.M.	VC / OAVM	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 of Parag Milk Foods Limited - Employee Stock Option Scheme 2022 ("ESOP 2022"). 5. Approval for Increase in ESOP Pool of ESOP 2022 and authorization to Nomination and Remuneration Committee to determine the Exercise Price on each grant to the Option Grantees. 6. Approval for Grant of Stock Options to Employees of Subsidiary Company under ESOP 2022.

Note: VC / OAVM refers to Video Conferencing / Other Audio Visual Means.

During the last 3 years, no resolutions have been rejected by the shareholders.

B. Extra-Ordinary General Meeting ("EGM")

During FY 2025-26, one EGM was held on May 3, 2025, details of which are as follow:

FY Ended	Date and Time	Venue	Special Resolution Passed
2025-26	Saturday, May 3, 2025 at 10:30 A.M. (IST)	VC / OAVM	Approval for issuance of convertible share warrants on preferential basis

C. Postal Ballot

During the financial year 2025-26, the following special resolutions were passed through Postal Ballot:

Date of Postal Ballot Notice	Special Resolutions Passed	Approval Date	Voting Pattern of Shareholders Participated	
			% of Votes Cast in Favour	% of Votes Cast Against
June 6, 2025	1. Appointment of Ms. Namrata Garud (DIN: 10832812) as an Independent Director of the Company.	July 19, 2025	99.98	0.02
	2. Appointment of Mr. Milind Patil (DIN: 02546815) as an Independent Director of the Company.	July 19, 2025	99.99	0.01
	3. Appointment of Mr. Amitabha Mukhopadhyay (DIN: 01806781) as an Independent Director of the Company.	July 19, 2025	99.99	0.01
	4. Re-Appointment of Mr. Devendra Shah (DIN: 01127319) as the Executive Chairman of the Company.	July 19, 2025	99.07	0.93
	5. Re-Appointment of Mr. Pritam Shah (DIN: 01127247) as the Managing Director of the Company.	July 19, 2025	99.07	0.93
	6. Re-Appointment of Ms. Akshali Shah (DIN: 06575079) as the Executive Director of the Company.	July 19, 2025	99.07	0.93

Procedure adopted for Postal Ballot

a. E-voting facility

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110, and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs, the Company provided electronic voting facility to all its members. The Company had engaged services of National Securities Depository Limited ("NSDL") for the purpose of providing electronic voting facility to all its members.

b. Circulation of Postal Ballot Notice

The Postal Ballot Notice including Explanatory Statement along with the instructions of remote e-voting was sent by e-mail on June 19, 2025, only to those members who have registered their e-mail address with the Depositories / Depository Participants and whose names appeared in the List of Beneficial Owners as received from NSDL and Central Depository Services (India) Limited ("CDSL") as on the cut-off date i.e. Friday, June 13, 2025. The Members of the Company as on the cut-off date were entitled to vote on the Resolutions as contained in the Notice. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. The notice of aforesaid Postal Ballot is available on the Company's website at https://www.paragmilkfoods.com/investors.php. The Company had published an advertisement in Financial Express (English Edition) and Lok Satta (Marathi Edition) newspapers on June 20, 2025 regarding completion of dispatch of Notice and also specifying therein the matters prescribed in the Rules with regard to remote e-voting.

c. Details of Scrutinizer

Mr. Bhaskar Upadhyay (Membership No. FCS 8663/ COP No. 9625), Partner M/s. N L Bhatia & Associates, Practising Company Secretaries, was appointed as the Scrutinizer for carrying out the aforesaid Postal Ballot voting process through electronic means in a fair and transparent manner.

d. Postal Ballot voting results

The remote e-voting process commenced on Friday, June 20, 2025 at 9.00 a.m (IST) and concluded on Saturday, July 19, 2025, at 5:00 p.m. (IST), post which the Scrutinizer submitted his report on the voting results. The voting results and the report of the Scrutinizer are available on the website of the Company viz. www.paragmilkfoods.com and on the website of National Securities Depository Limited (e-voting agency) i.e. www.evoting.nsdl.com.

e. Special resolution proposed to be conducted through postal ballot

No Special Resolution is currently proposed to be conducted through postal ballot

11. MEANS OF COMMUNICATION

It is a process of sharing information, ideas, thoughts, opinions and plans with all stakeholders which promotes management-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 engages and communicates with its Members through multiple channels to ensure transparency and timely dissemination of information. These channels include, *inter-alia*, publication of financial results, issuance of the Annual Report, media releases, updates on the Company's website, and subject-specific communications as and when required. The details of such communication mechanisms are provided below:

a.	Quarterly Results	The Company publishes limited reviewed un-audited standalone & consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone & consolidated for the complete financial year.
b.	Newspapers wherein results are 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 relevant information is displayed	The Company's corporate website, www.paragmilkfoods.com, features a dedicated "Investors" section, wherein all relevant communications and disclosures for Members are made available.
d.	Whether website also displays official news releases	Yes. The Company regularly publishes information / update on its financial results and displays official news releases in the Investors tab.
e.	The presentations made to institutional investors or to analysts	Any presentation made to the institutional investors or / and analysts are submitted to the Stock Exchanges and also posted on the Company's website.

The Company also conducts **Earnings Calls** with analysts and investors following the announcement of its quarterly and annual financial results. These calls provide an opportunity for management to discuss the Company's performance, business strategy, operational developments, and future outlook. Presentations, audio recordings, and transcripts of the earnings calls are hosted on the Company's website and are accessible to all stakeholders. The Company ensures that all information shared during such interactions is already available in the public domain and complies with applicable regulatory requirements relating to disclosure and prevention of insider trading.

12. GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting for FY 2025-26

Date: Tuesday, September 29, 2026

Time: 4:30 P.M (IST)

Venue: Meeting is being conducted through VC / OAVM pursuant to the MCA General Circulars dated May 5, 2020 and subsequent circulars issued in this regard, the latest, being General Circular 03/2025 dated September 22, 2025 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, 2025 to March 31, 2026

III. Record date (Cut-off Date): Tuesday, September 22, 2026, for the purposes as mentioned in the Notice of 34th Annual General Meeting.

Dividend Payment Date: The final dividend, if approved, shall be paid / credited on or after Tuesday, September 29, 2026.

IV. 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 FY 2025-26 have been paid within the prescribed timeline.

V. Corporate Identification Number ('CIN') of the Company:

L15204PN1992PLC070209

VI. In Case the Securities are Suspended from Trading, the Directors Report shall Explain the Reason thereof

Not applicable.

VII. Registrar to an Issue and Share Transfer Agent

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

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

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

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

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

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

URL: https://ris.kfintech.com/clientservices/isr

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

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

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

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

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

WhatsApp Number: (91) 910 009 4099

KFin Technologies Limited

Unit: Parag Milk Foods Limited

Selenium Building, Tower B, Plot number 31 & 32,

Financial District, Nanakramguda, Serilingampally,

Hyderabad, Rangareddy - 500 032.

Email ID: sharmila.amin@kfintech.com

Phone: +91 9004701571

WhatsApp Number: (91) 910 009 4099

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, transfer, transmission and transposition of securities are required to be effected only in dematerialized form.

Further, pursuant to SEBI Circular dated January 25, 2022, listed companies are mandated to issue securities only in dematerialized form while processing investor service requests such as issue of duplicate share certificates, endorsement, transmission, transposition, etc. Upon processing such service requests, the Company issues a Letter of Confirmation to the shareholders, which is valid for a period of 120 days from the date of issue. Within this period, the shareholder is required to submit a request to their Depository Participant (DP) for dematerialisation of the shares. In the event the shareholder fails to submit the dematerialisation request within the stipulated period of 120 days, the Company shall credit the shares to the Suspense Escrow Demat Account maintained by the Company. Shareholders may subsequently claim such shares by submitting the requisite documentation.

In respect of shares held in dematerialized form, transfers are processed by the depositories, viz., NSDL and CDSL, through their respective Depository Participants.

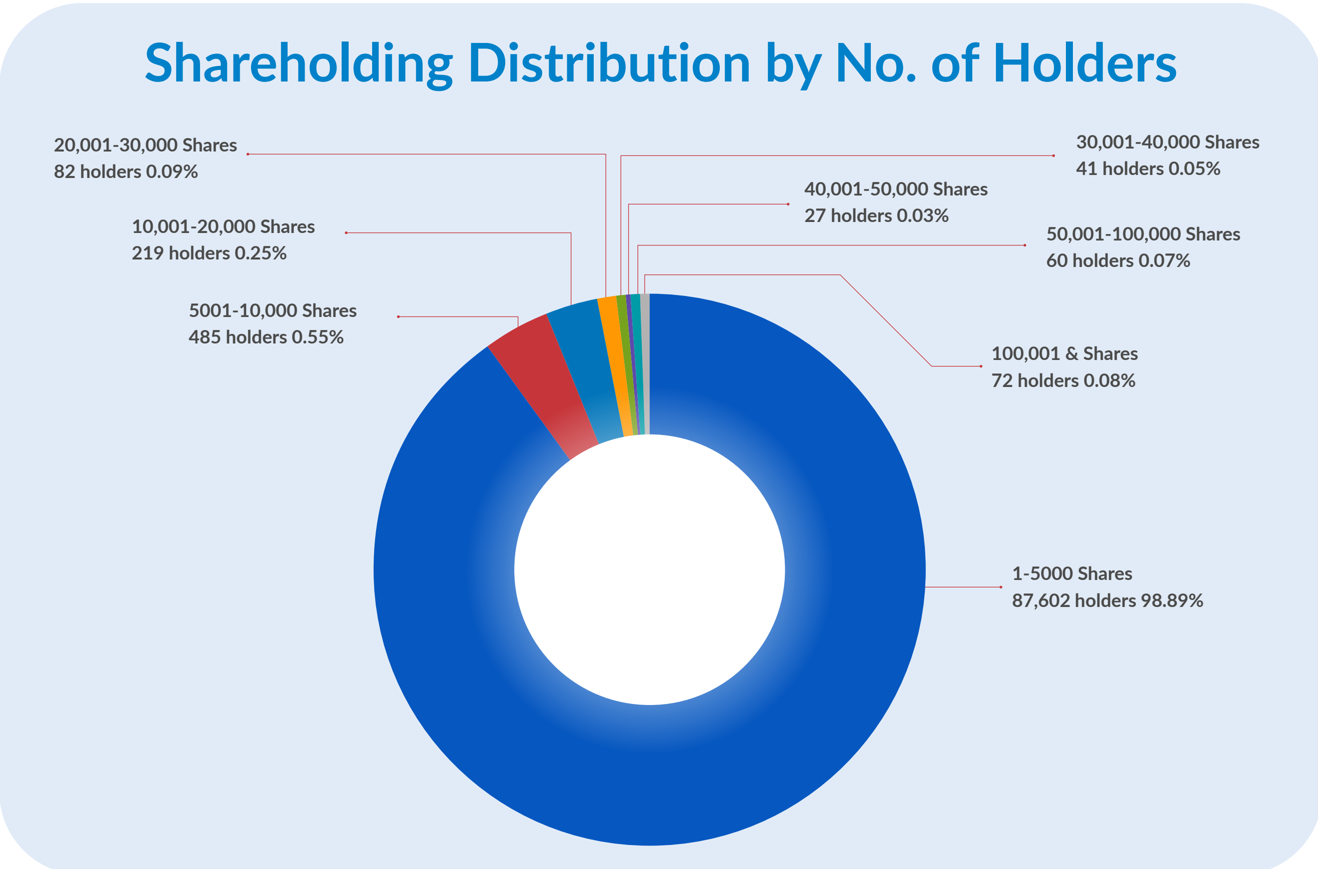
B. Shareholding Pattern as on March 31, 2026:

a) Distribution of equity shareholding as on March 31, 2026

The broad shareholding distribution of the Company as on March 31, 2026 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	87,602	98.89	1,76,00,078	14.07
2	5001 - 10000	485	0.55	36,64,194	2.93
3	10001 - 20000	219	0.25	31,37,805	2.51
4	20001 - 30000	82	0.09	20,00,695	1.60
5	30001 - 40000	41	0.05	14,45,080	1.16
6	40001 - 50000	27	0.03	12,63,370	1.01
7	50001 - 100000	60	0.07	41,80,625	3.34
8	100001 and above	72	0.08	9,18,17,707	73.39
TOTAL		**88,588**	**100.00**	**12,51,09,554**	**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.



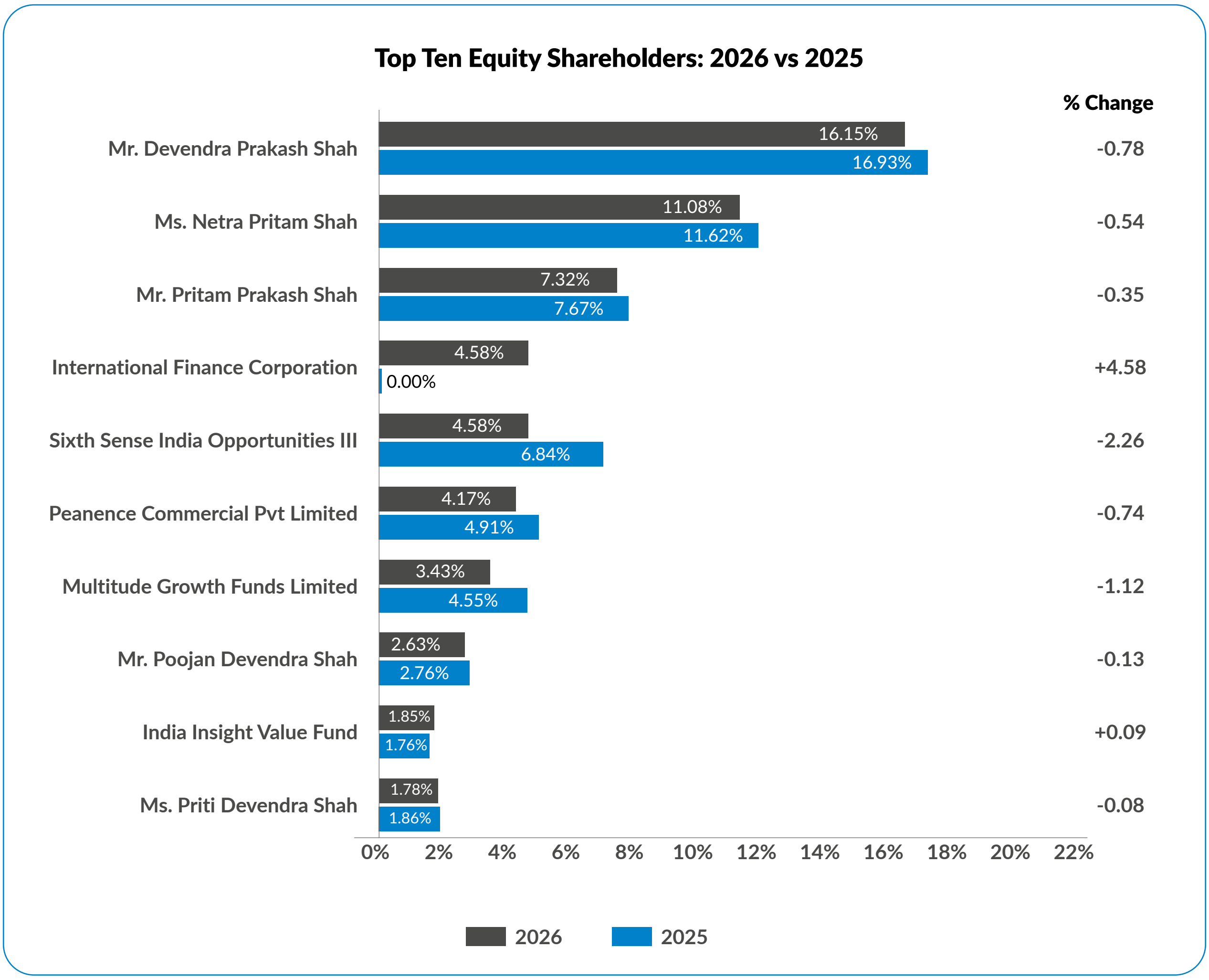
b) **Comparison of Shareholding as at the end of FY 2025-26 and previous FY 2024-25**

The Category wise shareholding of the Company for FY 2025-26 (From April 1, 2025 to March 31, 2026) is given below for reference of shareholders:

Sr. No.	Category	As on March 31, 2026		As on March 31, 2025		% Change
		No of shares held	% of share holding	No of shares held	% of share holding	
A	**Promoters & Promoter Group Holding:**					
1.	Indian					
	Individual	5,08,61,459	40.65	5,08,61,435	42.61	(1.96)
	Bodies corporate	-	-	-	-	
	Sub-total	**5,08,61,459**	**40.65**	**5,08,61,435**	**42.61**	**(1.96)**
2.	Foreign	-	-	-	-	
	Sub-total (A)	**5,08,61,459**	**40.65**	**5,08,61,435**	**42.61**	**(1.96)**
B	**Non-Promoters Holding**					
1.	Institutional investors					
	Alternate Investment Funds / Mutual Funds	65,67,838	5.25	81,67,245	6.84	(1.59)
	NBFCs registered with RBI	250	-	89,282	0.07	(0.07)
	Foreign Portfolio Investors Category I	93,84,378	7.50	88,99,715	7.46	0.04
	Foreign Portfolio Investors Category II	15,82,751	1.27	11,96,723	1.00	0.27
	Sub-Total (B)(1)	**1,75,35,217**	**14.02**	**1,83,52,965**	**15.37**	**(1.35)**
2.	Non-institution					
	Directors and their relatives (excluding independent directors and nominee directors)	3,10,700	0.25	3,10,700	0.26	(0.01)
	Key Managerial Personnel	10	-	10	-	-
	Investor Education and Protection Fund (IEPF)	2,819	-	1,944	-	-
	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	2,09,35,932	16.73	2,53,78,916	21.26	(4.53)
	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	1,46,69,143	11.73	99,15,413	8.31	3.42
	Non Resident Indians (NRIs)	18,91,928	1.51	16,73,929	1.40	0.11
	Body Corporates	1,10,96,520	8.87	1,12,63,442	9.44	(0.57)
	Foreign Companies	57,33,713	4.58	-	-	4.58
	Clearing Members	34	-	846	0.00	-
	Trusts	1,082	-	-	-	-
	HUF	19,69,982	1.58	14,45,226	1.21	0.37
	Sub-total (B2)	**5,66,11,863**	**45.25**	**4,99,90,426**	**41.88**	**3.37**
	Total B (B1 + B2)	**7,41,47,080**	**59.27**	**6,83,43,391**	**57.25**	**2.02**
C	**Non Promoter, Non Public Shareholding**	**1,01,015**	**0.08**	**1,71,015**	**0.14**	**(0.06)**
	GRAND TOTAL (A+B+C)	**12,51,09,554**	**100.00**	**11,93,75,841**	**100.00**	**-**

c) **CHANGE IN THE SHAREHOLDING OF TOP TEN EQUITY SHAREHOLDERS OF THE COMPANY AS ON MARCH 31, 2026:**

Sr. No.	Name of Shareholders	As on March 31, 2026		As on March 31, 2025		% Change
		Total Shares	% of Holding	Total Shares	% of Holding	
1.	Mr. Devendra Prakash Shah	2,02,06,400	16.15	2,02,06,400	16.93	(0.78)
2.	Ms. Netra Pritam Shah	1,38,67,027	11.08	1,38,67,027	11.62	(0.54)
3.	Mr. Pritam Prakash Shah	91,59,888	7.32	91,59,888	7.67	(0.35)
4.	International Finance Corporation	57,33,713	4.58	0	0	4.58
5.	Sixth Sense India Opportunities III	57,33,658	4.58	81,67,245	6.84	(2.26)
6.	Peanence Commercial Pvt Limited	52,20,241	4.17	58,60,780	4.91	(0.74)
7.	Multitude Growth Funds Limited	42,97,081	3.43	54,33,150	4.55	(1.12)
8.	Mr. Poojan Devendra Shah	32,95,000	2.63	32,95,000	2.76	(0.13)
9.	India Insight Value Fund	23,10,000	1.85	21,00,000	1.76	0.09
10.	Ms. Priti Devendra Shah	22,22,820	1.78	22,22,820	1.86	(0.08)



C. Dematerialization of Shares and Liquidity

The equity shares of the Company are traded in dematerialized form on the stock exchanges, namely the National Stock Exchange of India Limited and BSE Limited. The Company's shares are available for dematerialization with both the depositories, viz., National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE883N01014. As on March 31, 2026, 100% of the equity share capital of the Company is held in dematerialized form, thereby ensuring enhanced liquidity and ease of trading for investors.

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

During the year under review, the Company issued 90,00,000 (Ninety Lakh) convertible share warrants to the promoter and non-promoter category. All these warrants are outstanding as at end of the year. Save and except the above, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2026. 57,33,713 fully paid-up Equity Shares of face value ₹10/- each were issued and allotted to International Finance Corporation (IFC) pursuant to the exercise of the conversion option in respect of their entire holding of 10,680 Foreign Currency Convertible Bonds (FCCBs), pursuant to the FCCBs Subscription Agreement (as amended) entered by the Company with IFC in the year 2021. Further details on this section are included in Directors Report forming part of this Integrated Annual Report.

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

The Company is not engaged in commodity-related activities; therefore, the disclosure requirements under the SEBI Circular dated November 15, 2018 are not applicable to the Company. Accordingly, no hedging activities are undertaken to mitigate commodity price risk. Additionally, the Company does not have significant exposure to foreign currency transactions and hence does not undertake any hedging activities to manage foreign exchange risk.

F. Plant Locations

The Company has the following Manufacturing and Operating Divisions as on March 31, 2026:

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	District - Thorandale, Taluka - Ambegaon, District - Pune, Maharshtra - 410504

G. Address for Correspondence / Investor Correspondence

All Members' correspondence should be forwarded to M/s. KFin Technologies Limited, the Registrar and Transfer Agent of the Company or to the Investor Relations team at the Corporate Office of the Company at 'Parag Milk Foods Limited, 10th Floor, Nirmal Building, Nariman Point, Mumbai – 400021'.

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	Compliance Officer	Investor Relations
Unit: Parag Milk Foods Limited Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana-500032 Email:sharmila.amin@kfintech.com Telephone: +91 9004701571 Website: www.kfintech.com WhatsApp No. (91) 910 009 4099	Mr. Virendra Varma Company Secretary & Compliance Officer E-mail: cs@parag.com Telephone:(022) 4300 5555	Mr. Brian Dpenha Head-Investor Relations E-mail: investors@parag.com Telephone: (022) 4300 5555

H. Credit Rating

All details of credit ratings obtained by the Company including any revisions thereto, during FY 2025-26, have been included in the Directors Report forming part of this Integrated Annual Report.

13. OTHER DISCLOSURES

1.	Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large	Nil
2.	Details of non-compliance by the Company, penalties, strictures imposed on it by stock exchange(s) or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years	There was no material non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
3.	Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	The Company's Whistleblower Policy meets the requirement of the vigil mechanism framework prescribed under the Act and the Listing Regulations. The Whistleblower Policy is hosted on the Company's website, www.paragmilkfoods.com, The Policy aims to provide an appropriate platform and protection to whistleblowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations. The Policy also provides for adequate safeguards against victimization of the whistleblower. All Employees and Directors have access to Chairperson of the Audit Committee. During the year under review, one protected disclosure was received and addressed by the Company.

4.	Details of compliance with mandatory requirements and adoption of Non-mandatory requirements	The Company has disclosed and complied with all the mandatory requirements under Listing Regulations with regard to Corporate Governance and the details of these compliances have been given in the relevant sections of this report and adoption of non-mandatory requirements is given in point 16 below.
5.	Web link where policy for determining material subsidiaries is disclosed	The Company has formulated a policy for determining material subsidiaries in terms of Regulation 16 of the SEBI Listing Regulations. This Policy is hosted on the Company's website and which can be accessed at https://www.paragmilkfoods.com/policy.php?id=13 The Audit Committee and Board reviews the financial statements, significant transactions and minutes/resolutions of the subsidiaries.
6.	Web link where policy on dealing with related party is disclosed	The policy for dealing with Related Party transactions is disclosed at company's website and which can be accessed at https://www.paragmilkfoods.com/policy.php?id=40
7.	Disclosure of commodity price risks and commodity hedging activities	Not applicable, as the Company is not dealing with any "commodities".
8.	Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)	During the year under review, the Company had allotted 90 Lakh convertible share warrants to Promoter and Non-Promoter Category. Area of Utilisation of above funds is as follows: Debt Reduction - For repayment and/or reduction of debt including interest, in part or full, (without reducing / cancelling the credit lines). Working Capital - For usage towards the working capital needs as part of maintaining or running the operating activities of the Company. Capital Expenditure - For undertaking capital expenditure to acquire, upgrade and expand Plant & Machinery, equipment which are in the nature of capital expenditure. General Corporate Purposes - For utilizing towards general corporate purposes. A statement of utilisation during FY 2025-26, can be access at: https://www.paragmilkfoods.com/parag_uploads/images/pdfs/ni7ntVZB3I1Nghaifqlc.pdf
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.The certificate is annexed to this Report.
10.	Where the board had not accepted any recommendation of any committee of the board which is mandatorily required in the relevant financial year, the same to be disclosed along with reasons thereof:	During the year, there has been no occasion where the Board has not accepted any recommendation of any of the Committees.
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:	Total Fees paid/payable to M/s. Sharp & Tannan, Statutory Auditors for FY 2025-26: (i) For Parag Milk Foods Limited - Rs. 0.50 Crore (ii) Bhagyalaxmi Dairy Farms Pvt. Ltd. - Rs.0.07 Crore
12.	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during FY 2025-26:	
	(i) Number of complaints filed	Nil
	(ii) Number of complaints disposed of	Nil
	(iii) Number of complaints pending	Nil

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 information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Note No. 7 to the standalone financial statements. No loans and advances were given by the subsidiary company during FY 2025-26 which were in the nature of loans to firms/companies in which directors are interested.
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, 2026.
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 Listing Regulations and there are no such non-compliances.
16.	Extent to which the Discretionary requirements as specified in Part E of Schedule II have been adopted.	**i) The Board:** Chairman of the Company being on Executive position, the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable. **ii) One-woman independent director:** As on March 31, 2026, Ms. Namrata Garud serving as the Independent Woman Director on the Board of Directors. **iii) Shareholder Rights:** The Company has not adopted the practice of sending out half - yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to the Stock Exchanges and updated on the website of the Company. **iv) Modified Opinion(s) in Audit Report:** There are no modified opinions in audit report. **v) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** The Company has appointed separate persons to the post of Chairperson and Managing Director. However, the Chairperson is an Executive Director and is related to the Managing Director. **vi) Reporting of Internal Auditor:** In accordance with the provisions of Section 138 of the Act, the Company has appointed an Independent Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the reports and suggests necessary action. **vii) Risk Management:** The Company has constituted Risk Management Committee as per Regulation 21 of the Listing Regulations. The details w.r.t. composition, roles and responsibilities are provided in this Report.
17.	Directors and Officers Liability Insurance	In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any personal liability coming on to them whilst discharging fiduciary responsibilities in relation to the Company.
18.	The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 (2) of Listing Regulations	The Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations in the respective places in this Report.
19.	Disclosure of certain types of agreements binding the Company	For FY 2025-26, disclosure under this section was not applicable.

14. CEO/CFO CERTIFICATE

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, for FY 2025-26, is annexed to this report.

15. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Compliance certificate obtained from M/s. N L Bhatia & Associates, a firm of practising company secretaries, regarding compliance of conditions of corporate governance for FY 2025-26, is annexed to this report.

16. UNCLAIMED DIVIDEND

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website www.paragmilkfoods.com.

The IEPF Authority launched a 100 day campaign, Saksham Niveshak in July 2025 to enhance investor awareness and expedite resolution of pending matters relating to unclaimed dividends, shares transferred to IEPF and updating of KYC & nomination details. In support of this initiative, the Company disseminated press release, sent email and physical reminders urging shareholders to update their KYC and claim their unclaimed dividend(s).

The IEPF Authority has additionally introduced an integrated digital platform to streamline claim processes and improve grievance redressal. Shareholder/claimant may also contact the IEPF Authority through the 24×7 Interactive Voice Response System ("IVRS") by dialing five-digit short code 14453. The IVRS support shall be available round the clock, while call centre can be reached from 9:30 a.m. to 5:30 p.m. (IST) from Monday to Friday.

Unclaimed Dividend in respect of the Financial Year 2018-19 (Final) and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on October 31, 2026 in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Final Dividends in respect of the financial year ended March 31, 2019 or any subsequent year(s) are requested to lodge their claims with the Company.

A separate communication in this regard would also be sent to the Shareholders of the Company who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same. In respect of final dividend for the financial year ended March 31, 2019, it will not be possible to process claims which are received by the Company after October 31, 2026.

Members are requested to note that no claims shall lie against the Company in respect of the dividend/shares transferred to IEPF. The Members who have a claim on above dividends and/or shares are requested to follow the below process:

1. Submit self-attested copies of documents provided in IEPF 5 helpkit, which is available on IEPF website (www.iepf.gov.in) to the Company / RTA.
2. After verification of the aforesaid documents submitted, Company will issue an entitlement letter.
3. File Form IEPF-5 on IEPF website and send self-attested copies of Form IEPF-5 along with the acknowledgement (SRN), Indemnity bond and entitlement letter to RTA.

On receipt of the physical documents mentioned above, Company will submit e-Verification report, for further processing by the IEPF Authority.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2026 on the Company's website at www.paragmilkfoods.com.

Details of Unclaimed Dividend as on March 31, 2026 and due dates for transfer are as follows:

Sr. No.	FY to which Dividend pertains	Unclaimed Amount (Rs.)	Due date for transfer to IEPF
1.	2024-25	65,873	October 30, 2032
2.	2023 -24	22,19,682	October 17, 2031
3.	2020-21	42,268	October 14, 2028
4.	2019-20	90,566	October 6, 2027
5.	2018-19	52,219	October 31, 2026

17. Demat Suspense Account / Unclaimed Suspense Account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

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, 2025	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, 2026	Nil	Nil
f) It is hereby confirmed that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	N.A.	N.A

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

Devendra Shah
Executive Chairman
DIN: 01127319

May 7, 2026
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 2025-26 has been obtained from all the Directors and Senior Management Personnel.

For Parag Milk Foods Limited

Pritam Shah
Managing Director & Interim CFO
DIN: 01127247

May 7, 2026
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, 2026 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, 2026 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

Pritam Shah
Managing Director & Interim CFO
DIN: 01127247

May 7, 2026
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 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities 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 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Devendra Shah	01127319	29/12/1992
2.	Mr. Pritam Shah	01127247	29/12/1992
3.	Ms. Akshali Shah	06575079	25/12/2022
4.	Mr. Milind Anil Patil*	02546815	22/05/2025
5.	Mr. Amitabha Mukhopadhyay**	01806781	22/05/2025
6.	Ms. Namrata Garud***	10832812	02/05/2025
7.	Mr. Nikhil Vora	05014606	20/08/2021
8.	Mr. Dnyanesh Darshane	08515431	25/12/2022

*Mr. Milind Patil (DIN: 02546815) was appointed as Independnet Director of the Company with effect from the May 22, 2025.

**Mr. Amitabha Mukhopadhyay (DIN:01806781) was appointed as Independent Director of the Company with effect from the May 22, 2025

***Ms. Namrata Garud (DIN: 10832812) was appointed as Independent Director of the Company with effect from the May 02, 2025.

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.

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: F005436H000305043

May 7, 2026
Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Parag Milk Foods Limited
CIN: L15204PN1992PLC070209
Flat No.1,Plot No.19, Nav Rajasthan Soc.,
Behind Ratna Memorial Hospital, S.B. Road,
Shivaji Nagar, Pune 411016

We have examined all the relevant records of Parag Milk Foods Limited ('the Company') for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in Regulation 17 to 27, clauses (b) to (i) and (t) of Sub regulation (2) of Regulation 46 and Para C,D and E of Schedule to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from April 1, 2025 to March 31, 2026. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in the Regulation 17 to 27,clauses (b) to (i) and (t) of Sub regulation (2) of Regulation 46 and Para C,D and E of Schedule V of the Listing Regulations.

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.

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.

For M/s N L Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800
P/R No.: 6392/2025

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436H000304966

May 7, 2026
Mumbai

Business Responsibility and Sustainability Report

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

This Business Responsibility and Sustainability Reporting (BRSR) has been prepared in accordance with the Securities and Exchange Board of India (SEBI) guidelines for listed companies. The report covers the company's performance on environmental, social, and governance (ESG) parameters for the financial year FY 2025 - 2026.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L15204PN1992PLC070209
2. Name of the Listed Entity	Parag Milk Foods Limited ('Company' / 'Parag' / 'PMFL')
3. Year of incorporation	1992
4. Registered office address	Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar, Pune, Maharashtra- 411016
5. Corporate address	10th Floor, Nirmal Building, Nariman Point, Mumbai-400021
6. E-mail	investors@parag.com
7. Telephone	022 - 4300 5555
8. Website	http://www.paragmilkfoods.com/
9. Financial year for which reporting is being done	FY 2025 - 2026
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited ('BSE') National Stock Exchange of India Limited ('NSE')
11. Paid-up Capital	Rs.1,25,10,95,540 (Divided into 12,51,09,554 equity shares of Rs.10 each).
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Brian D'Penha, Head -Investor Relations Telephone: 022 - 4300 5555 Email address: investors@parag.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under this report is on standalone basis for Parag Milk Foods Limited, unless otherwise specified.
14. Name of assurance provider	J. Sundharesan and Associates
15. Type of assurance obtained	Limited assurance

II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Parag Milk Foods Limited, established in 1992, is the largest private dairy FMCG Company with a Pan India presence. The Company's manufacturing facilities with in-house technology which are strategically located at Manchar and Thorandale in Maharashtra and Palamaner in Andhra Pradesh. The Company sells 100% cow's milk products that are healthy and nutritious. Integrated business model and strong R&D capabilities have helped the Company emerge as a leader in innovation. The Company's dairy farm, Bhagyalaxmi, houses more than 5,000 cows, with an automated milking process. The Company offers traditional products like Ghee, Dahi, Paneer, Liquid Milk, etc. under brand "Gowardhan", and products like Cheese, UHT Milk, Buttermilk, Lassi, Flavoured Milk Shakes, etc. under the brand name "Go". "Pride of Cows", the flagship brand of the Company based on proposition of Farm to Home – single origin concept targeting customers seeking premium quality dairy products. The Company is also present in Whey Protein based sports nutrition under the brand Avvatar – India's 1st 100% vegetarian whey protein. The Company's goal is to become the global nutrition provider and become the largest dairy FMCG Company that emphasizes health and nutrition to consumers through quality and innovation.	100%

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

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

III. Operations

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

Location	Number of plants	Number of Depots	Number of offices	Total
National	3	29	10	42
International	NIL	NIL	NIL	NIL

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	16

b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.17%

c. A brief on types of customers

Consumers

We develop and market innovative products under our portfolio of brands, delivering joy, health, and nutrition to our consumers. Our diverse product range includes dairy products, ready-to-eat sweets and India's first whey protein-based nutrition brand. Through strategic premiumization, we have enhanced our offerings to meet evolving consumer needs.

Retailers and Distributors

With an extensive and robust distribution network comprising 29 strategically located depots, over 500 super stockists, and an extensive network of more than 4,500 distributors, our company effectively reaches and serves an extensive network of over 4.6 lakh retail counters across diverse geographical locations.

Institutional Customers

Our Company has successfully forged strong partnerships with reputable institutional and HORECA (Hotels, Restaurants, and Catering) customers. These valued customers rely on our exceptional product portfolio, including cheese, skim milk powder and whey products, to fulfil their distinct requirements and elevate their culinary offerings.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1	Permanent (D)*	1670	1479	88.6	191	11.4
2	Other than Permanent (E)	216	205	94.9	11	5.1
3	**Total employees (D + E)**	**1886**	**1684**	**89.3**	**202**	**10.7**
			WORKERS			
4	Permanent (F)	403	402	99.8	1	0.2
5	Other than Permanent (G)	1111	648	58.3	463	41.7
6	**Total workers (F + G)**	**1514**	**1050**	**69.4**	**464**	**30.6**

*Permanent employees exclude the Board of Directors

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			DIFFERENTLY ABLED EMPLOYEES			
1	Permanent (D)	1	-	-	1	100.0
2	Other than Permanent (E)	-	-	-	-	-
3	**Total differently abled employees (D + E)**	**1**	**-**	**-**	**1**	**100.0**
			DIFFERENTLY ABLED WORKERS			
4	Permanent (F)	7	7	100.0	-	-
5	Other than Permanent (E)	-	-	-	-	-
6	**Total differently abled workers (F + G)**	**7**	**7**	**100.0**	**-**	**-**

21. Participation/Inclusion/Representation of women

Particular	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	8	2	25.00
Key Management Personnel**	1	-	-

* Board of Directors includes Chairperson, MD, One Executive Director and Five Non-Executive Directors

** KMP includes Company Secretary

22. Turnover rate for permanent employees and workers

Particular	FY 2025 - 2026 (Turnover rate in current FY)			FY 2024 - 2025 (Turnover rate in previous FY)			FY 2023 - 2024 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	35%	31%	35%	41%	18%	39%	35%	18%	33%
Permanent Workers	8%	-	8%	6%	-	6%	4%	7%	4%

(a) 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	Wholly Owned Subsidiary	100%	No, nevertheless, the unlisted private subsidiary independently undertakes its own business responsibility initiatives while ensuring alignment with the company's environmental, social, and governance (ESG) initiatives.
2	Parag Foods Middle East FZE	Wholly Owned Subsidiary	100%	No. Not Applicable as the entity is yet to commence its operations.

VI. CSR Details

23. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(₹ in Crore)

	Current Year (FY 2025-26)	Previous Year (FY 2024-25)
a. Turnover	3742.03	3,367.40
b. Net worth	1246.66	1,030.24

VII. Transparency and Disclosures Compliance

24. 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)*	FY 2025-26 Current Financial Year			FY 2024-25 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	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	6	-	-*	1	-	-*
Employees and workers	Yes	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)*	FY 2025-26 Current Financial Year			FY 2024-25 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
Customers	Yes	2522**	-	-*	2219**	-	-*
Value Chain Partners	Yes	-	-	-	-	-	-
Other (please specify)	Yes	-	-	-	-	-	-

*All the complaints received have been successfully addressed and resolved.

**Includes all kinds of complaints that have been filed by customers with respect to delivery of milk and all consumer queries, product related information, complaints, and services received through phone, emails.

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	https://www.paragmilkfoods.com/investors.php
Investors (other than shareholders)	https://www.paragmilkfoods.com/investors.php
Shareholders	https://www.paragmilkfoods.com/investors.php
Employees and workers	https://www.paragmilkfoods.com/investors.php
Customers	https://www.paragmilkfoods.com/investors.php
Value Chain Partners	https://www.paragmilkfoods.com/investors.php
Other (please specify)	https://www.paragmilkfoods.com/investors.php

25. 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:

Sr. 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 risksfor dairy companies, which contribute significantly to global emissions. Climate change intensifies due to GHG emissions, leading to shifting weather patterns. These shifts compromise the availability and quality of essential resources like water and feed crops for dairy cattle. Rising temperatures increase heat stress in cattle, negatively affecting their health and productivity.	To mitigate GHG emissions risks, PMFL is taking the following actions: **Enhancing feed efficiency** ● Improving the nutritional content and digestibility of cattle feed to reduce enteric methane emissions per unit of milk produced. ● Implementing precision Feeding techniques to minimize waste and optimize animal performance. ● Decreasing manure emissions ● Utilizing better manure management practices such as composting and anaerobic digestion to reduce methane and nitrous oxide emissions. ● Exploring technologies that capture and reuse biogas for energy. **Using 45% clean renewable energy in operations** Transitioning to solar, wind, and other renewable sources to power processing plants and other facilities. Reducing reliance on fossil fuels, thereby lowering the company's carbon footprint.	**Negative** The impact of GHG emissions on climate change can create supply chain disruptions. Extreme weather events like droughts and floods can affect feed availability, milk production, and transportation logistics, resulting in input cost volatility and potential shortages.

Sr. 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)
				Implementing conservation measures Promoting land stewardship practices that preserve soil health and biodiversity. Investing in sustainable agriculture and regenerative practices across the supply chain. **Optimizing water usage** Installing water-efficient systems and recycling water wherever possible in production and cleaning processes. Monitoring water usage to reduce waste and ensure sustainable consumption. **Addressing public concerns about ecological impact** Increasing transparency through sustainability reports and public communication. Engaging with stakeholders and local communities to build trust and demonstrate environmental responsibility.	
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** Poor water management can lead to significant negative financial consequences for a company operating in the dairy industry. Dairy production is heavily waterintensive, requiring large quantities for livestock, cleaning, processing, and cooling activities. Scarcity of water resources can further disrupt production schedules, limit livestock health and milk yield, and cause raw material supply constraints, leading to lower output and revenue losses.
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 manur accumulation becomes a ground for pathogens, posing threats to both livestock and nearby communities.	To mitigate the risk, PMFL has implemented effective waste management system by implementing end-to-end operations generate Fly ash, ETP Sludge, Paper waste and Plastic waste and treat them responsibly.	**Negative** Poor waste management practices can result in significant financial risks for a company operating in the dairy industry. The production process generates substantial waste, including manure, wastewater, packaging materials, and byproducts from processing activities.

Sr. 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)
4	**Product Quality and Safety**				
		Both	Product quality and safety can pose both risks and opportunities for our Company. Here are some reasons: **Risk:** Food safety concerns, Cost of compliances, include hiring personnel, implementing quality control measures, and investing in technology to ensure product safety. **Opportunity:** Our Company differentiates themselves from competitors and establish a competitive advantage. Consumers are willing to pay more for products that are perceived to be of higher quality and safe. Prioritizing product quality and safety encourages innovation and differentiation within the industry.	Implementing quality control measures, investing in technology, Developing a robust crisis management plan, educating employees and collaborating with regulators.	**Positive & Negative** **Positive** Prioritizing product quality and safety creates strong positive financial implications for the company. By differentiating themselves from competitors through superior quality and safe products, the company is able to build greater trust and loyalty among consumers, leading to more stable and consistent sales volumes. A strong focus on quality and safety encourages internal innovation and continuous improvement, resulting in the development of new and improved products that can capture additional market share. **Negative** Food safety concerns and the associated cost of compliances can lead to significant negative financial implications for a company. Implementing strict quality control measures and acquiring advanced technologies for monitoring, testing, and traceability require substantial capital investment.
5	**Customer Welfare**				
		Opportunity	Customer welfare presents a significant opportunity for our Company to improve their financial performance and grow their business. By prioritizing customer needs, dairy companies can build trust and loyalty with customers, increase sales and revenue, and enhance their brand reputation and market positioning, which can all contribute to long-term success.	-	**Positive** Focusing on customer welfare has positive financial implications for a company in the dairy industry. By ensuring that products are safe, nutritious, and responsibly produced, the company builds stronger trust and loyalty among consumers, leading to repeat purchases and long-term customer relationships.

Sr. 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)
					As part of our commitment to public health and well-being, the company places a strong emphasis on addressing nutritional deficiencies through our product offerings. By delivering high-quality, nutrient-rich dairy products, we aim to support better nutrition outcomes across the communities we serve. This proactive approach not only aligns with our mission to promote healthier lifestyles but also plays a vital role in enhancing customer trust and loyalty.
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** Competitive behaviour creates positive financial implications for the company by driving innovation, operational improvements, and market expansion. In responding to competition, the company is encouraged to develop better products, optimize processes, and enhance customer serviceactions that attract new customers and strengthen existing customer loyalty. As part of this strategy, the company is actively prioritizing new product development, ensuring that it remains agile and responsive to evolving consumer needs and market trends.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	**Data Privacy and Security**				
		Risk	Ensuring the security of data across the entire value chain particularly customer data is critical to the continuity and integrity of our business operations. Any breach of data privacy could lead to the exposure of sensitive company information, resulting in potential fraud, operational disruptions, and reputational damage. With the company's product Avvatar also being sold through online platforms, the importance of robust data privacy and cybersecurity measures is significantly heightened. We continue to invest in advanced IT infrastructure, secure payment systems, and compliance with relevant data protection regulations to mitigate these risks and uphold the trust our customers place in us.	The Company has implemented a cyber security policy to prevent any possible cyber-attack, data breach or any sabotage attempt to disrupt business processes. The Company has also developed a proper business continuity plan which includes building of redundancy for entire IT infrastructure and network.	**Negative** Data breaches pose significant financial risks to the company, including potential regulatory fines, legal liabilities, and operational disruptions—particularly critical given our growing online presence through the Avvatar brand. A serious breach can lead to loss of customer trust, reduced sales, and long-term reputational damage. These risks underscore the importance of robust data protection measures as a key element of our business continuity and financial resilience strategy.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No		Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
			P1 through P9 Responses								
		Policy and management processes									
1.	a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c	Web Link of the Policies, if available	https://www.paragmilkfoods.com/investors.phpunderCorporate Governance>Policies tab								
2		Whether the entity has translated the policy into procedures. (Yes / No / NA)	Yes, the Company has translated the policies into procedures.								
3		Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	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, Trustee) standards (e.g. SA 8000, OHSAS 18001, ISO, BIS) adopted by your entity and mapped to each principle.	Our Company's operations adhere to the NGBRC.	Food Safety Management System ISO: 22000:2018,Halal Certificate 1500-2019	Occupational Health and Management Systems OHSAS 45001:2018	Our Company's operations adhere to the NGBRC.	Occupational Health and Management Systems OHSAS 45001:2018	Environmental Management Compliance System ISO: 14001:2015, Certification on Energy Management 50001:2018	Our Company's operations adhere to the NGBRC.	Our Company's operations adhere to the NGBRC.	Our Company's operations adhere to the NGBRC.

Disclosure Question	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.
P2	**Packaging Material Optimization** Our goal is reduce overall packaging material consumption losses by 10% against the previous losses in FY 2026-27 with a longer-term objective of achieving a 15% improvement per metric ton by the year 2030. These targets will be met through innovations in packaging design and material efficiency. Transition to Recyclable Packaging We are committed to transitioning to100% recyclable packaging materials by the year 2030. This initiative supports our broader environmental goals and reinforces our dedication to sustainable product stewardship.	Upheld our product commitment to customer welfare by focusing on high quality, responsibly sourced products that align with our sustainability values

Disclosure Question	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.
P6	**Water Management** To optimise water management practices and ensure the efficient and sustainable use of water resources within our company.	**Reduction in Water Consumption** We are committed to optimize water usage by using recycled water more than 10% of the total volume. This initiative aligns with our broader sustainability objectives and reflects our ongoing efforts to optimize water use across our operations. Increase in Water Recycling We aim to increase the recycling of water by 10% by 2027. This strategy will contribute significantly to enhancing resource efficiency and reducing our environmental footprint, ensuring that we meet both operational needs and sustainability targets
	Waste Management To establish effective waste management practices within our company, focussing on waste reduction, recycling responsible disposal and minimising environment impacts.	**Waste Reduction** By the year 2027, we aim to reduce Fat losses by 30% over the 1.5 % losses in year 2025-26 by improving opertional efficiency through structured process optimization and targeted waste reduction initiatives. This approach reflects our commitment to operational efficiency and environmental responsibility. **Increase in Waste Recycling** We are enhancing our waste recycling efforts by promoting the reuse of materials within our operations and actively exploring opportunities to implement circular economy practices. These efforts are intended to reduce landfill dependency and promote sustainable resource use.
	Energy Management 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.	**Green Energy Sourcing** By FY2027, we aim to source 45% of our electricity from green energy solutions, including solar and biogas. Looking ahead, our goal is to ensure that 75% of our total electrical energy comes from renewable sources, and by 2030, we plan to source 50% of our overall energy needs-including thermal and electrical energy-from clean and sustainable sources. Reduction in Non-Renewable Energy Consumption We are targeting a 20% reduction in nonrenewable energy consumption through strategic investments in renewable energy infrastructure, such as the installation of solar panels and biogas plants. In addition, we are actively exploring green energy procurement partnerships to accelerate our transition toward a low-carbon energy mix. **Energy Monitoring and Reporting** To support our energy efficiency goals, we will implement comprehensive energy monitoring and reporting systems. We plan to achieve more than 45% increase in energy usage from Renewable sources, demonstrating our strong commitment to clean energy adoption. • For the same volume of production, we plan to decrease the GHG emission less than 20%, contributing to improved air quality and environmental performance. • For the same volume of production, we plan to decrease the GHG emission less than 20% in Scope 1 and Scope 2 greenhouse gas emissions compared to the previous year, reflecting ongoing efforts in energy efficiency and emission control. • Continued to increase the use of renewable resources across operations to reduce environmental impact.

Sr. No	Disclosure Questions	P1 through P9 Responses								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
	Governance, leadership and oversight									
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	"At Parag Milk Foods Limited, we believe that sustainable growth is the foundation of long-term success. Over the past year, we have taken decisive steps to reduce our environmental footprint while delivering value to our customers and communities. We plan to achieve more than 45% increase in renewable energy consumption, reduction in Scope 1 and Scope 2 emission less than 20% and decrease in particulate matter by more than 10% from air emissions. These achievements are a direct result of our investments in solar and biogas energy, use of wood briquettes, and adoption of more eco-friendly refrigerants. Our biogas generation initiatives-across ETP plants and farms-not only support internal energy needs but also empower over 250 milk producers through integrated renewable energy systems, reducing their dependence on conventional fuels. We are proud to say that these efforts reflect our unwavering commitment to environmental responsibility. In parallel, we continue to prioritize customer welfare by focusing on nutrition, product quality, and sustainable sourcing. With a strong emphasis on new product development, we are responding to evolving consumer needs while maintaining high standards of hygiene, sanitation, and quality control. Our competitive approach drives continuous improvement across operations, from packaging innovations to waste reduction and water conservation. By reducing water consumption per litre of milk, increasing water recycling, and transitioning toward 100% recyclable packaging by 2030, we are not just meeting compliance we are shaping a future our stakeholders can be proud of. These efforts reflect our mission to grow responsibly while creating lasting positive impact for our customers, partners and the planet." - **Pritam Shah**, Managing Director (DIN: 01127247)								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors is the highest authority responsible for implementation and oversight of the Business Responsibility policies.								
9	Does the entity have a specified Committee of the Board/ Director/ Official for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes	Board of Directors is entrusted with the task of making decisions on sustainability-related issues. In addition to this, the committee ensures that the organization adheres to all applicable sustainability regulations and laws and takes necessary action on related issues.							

10. Details of Review of NGRBC by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee	P1 through P9 Responses								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	Yes, performance against enlisted policies and necessarily follow up actions are duly reviewed by the Board of Directors	Annually								
b. Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, we comply with statutory requirements relevant to the principles with regard to Statutory requirements and review was undertaken by the Board of Directors.	Half Yearly. Yes, we comply with statutory requirements relevant to the principles with regard to Statutory requirements and review was undertaken by the Board of Directors.								
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.		Yes, all the policies of the Company are internally evaluated. J. Sundharesan and Associates, specialising in Compliance, Governance and Sustainability advisory has reviewed/ assessed the working of the policies.								

12. If answer to question (1) above is "Yes", has it been disclosed?

	P1 through P9								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Reasons for not covering Principles (Q10)									
If answer to question (1) above is "Yes", has it been disclosed that all Principles are covered by a policy (Yes/No)									
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					-				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Principle	Description	Parag Milk Foods
P1	Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	• Anti Corruption Policy • Whistle Blower Policy • Policy on Code of Conduct for Board Directors and Senior Management • Policy on prohibition of Insider Trading • Policy on Determining Materiality of an Event • Policy on Related Party Transactions; Cybersecurity Policy • Code of practices and procedures for fair disclosure of UPSI
P2	Product Lifecycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe.	• Policy on Code of Conduct for Board • Directors and Senior Management; • Suppliers Code of Conduct • Health andSafety Policy; Environment Policy • Human Rights Policy

Principle	Description	Parag Milk Foods
P3	Employee Well-being: Businesses should respect and promote the well-being of all employees, including those in their value chains.	• Health and Safety Policy • Human Rights Policy • POSH Policy • Whistle Blower Policy
P4	Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders.	• Suppliers Code of Conduct • Whistle Blower Policy • Policy on Corporate Social Responsibility • Stakeholder Management Policy • Anti-Corruption Policy
P5	Promoting Human Rights: Businesses should respect and promote human rights.	• Health and Safety Policy • Human Rights Policy • POSH Policy • Anti Corruption Policy
P6	Protection of Environment: Businesses should respect and make efforts to protect and restore the environment.	• Environment Policy
P7	Responsible Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	• Policy on Corporate Social Responsibility • Policy on Responsible Advocacy • Anti-Corruption Policy
P8	Support Inclusive Growth: Businesses should promote inclusive growth and equitable development.	• Policy on Board Diversity • Human Rights Policy • Policy on Corporate Social Responsibility
P9	Providing Customer Value: Businesses should engage with and provide value to their consumers in a responsible manner.	• Cybersecurity Policy • Whistle Blower Policy

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting.)

Essential Indicators

1. **Percentage coverage by training programme 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	• Governance&regulatory/Compliancerequirements • ESG Parameters & targets • Overview of the operations of the plants • Periodic review of the Company business • Prospects for the dairy industry	100
Key Managerial Personnel	11	• Corporate Governance practices • ESG matters • Updation of laws applicable to Company • Code of conduct • Compliance related (POSH + Insider Trading)	100
Employees other than BoD and KMPs	456	• Corporate Induction • Sales Training • Product Knowledge • HRMS • Compliance Related (POSH + Insider Trading) • Skill Upgradation	100
Workers	280	GMP, HACCP, Personal Hygiene, Energy Conservation and Department, Operation, Safety, FOSTAC	100

(GMP-Good Manufacturing Practice, HACCP-Hazardous Analysis and Critical Control Points, FOSTAC-Food Safety Training and Certification)

As applicable in respective Category

2. **Details of fines / penalties /punishment/ award/ compounding fee/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulatory/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**

Particulars	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amounts in Rs. (in thousands only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine Settlement Compounding Fee	There were no fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the Company or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions during FY 2025-26 which were material as specified in Regulation 30 (4) (i) (c) of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.				

Particulars	Non-Monetary			
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been taken by the regulatory/ law enforcement agencies/ judicial institutions, in the following format:**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
-	-

4. **Does the entity have an anti-corruption or anti-bribery policy? (Yes / No)**

If yes, provide details in brief and if available, provide a web-link to the policy.

Policy Status: Yes

Policy Details: Yes, our Company has an anti-corruption or anti-bribery policy. This policy is applicable to all employees, members of the Board of Directors, Key Management Personnel (KMP), business partners, vendors, consultants, agents and any other individuals or entities acting on behalf of the Company. It ensures that everyone associated with the Company upholds the same values of honesty, accountability and lawful behaviour, regardless of their role or seniority. The policy outlines specific expectations and responsibilities, compelling all covered individuals to act ethically and transparently in their day-to-day activities. It prohibits any form of bribery, facilitation payments, kickbacks or other corrupt practices, whether direct or indirect. It also emphasizes that all financial transactions must be properly documented and in full compliance with applicable laws and internal controls, to prevent the misuse or concealment of funds.

Importantly, the policy includes specific provisions for the Board of Directors and Key Management Personnel, requiring them to lead by example and ensure full compliance with the Company's Code of Conduct. These leaders are expected to actively promote ethical behaviour, oversee the policy's implementation and support ongoing training and awareness efforts across the organization.

By instituting this policy, the Company reinforces its zero-tolerance approach to corruption and bribery.

Violations of the policy will result in strict disciplinary measures, including potential termination, legal action and reputational consequences. The Company also encourages employees and stakeholders to report any suspected unethical behaviour through appropriate channels, with the assurance of confidentiality and protection against retaliation. The Policy can be accessed at https://www.paragmilkfoods.com/policy.php?id=64

Web Link: https://www.paragmilkfoods.com/policy.php?id=64

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the offences under the Prevention of Corruption Act-1988 and/or Protection of Whistleblowers Act, 2014. If yes, provide details:**

Particulars	FY 2025 - 2026	FY 2024 - 2025
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. **Details of complaints with regard to conflict of interest:**

Case Details	FY 2025 - 2026	FY 2024 - 2025
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL

7. **Provide details of any corrective action taken or undertaken on issues related to fines / penalties / punishment, on the following basis:**

Not applicable, since no fines, penalties or actions were imposed by regulatory, law enforcement or judicial authorities on cases related to corruption and conflicts of interest. The Company has established policies, processes, systems and monitoring mechanisms to ensure compliance, which are regularly reviewed and updated with global best practices. The implementation of these policies is ensured through regular training, communication and awareness-building sessions.

8. **Number of days of accounts payables in the following format:**

Number of days of accounts payables	FY 2025 - 2026	FY 2024 - 2025
Number of days of accounts payables	30.84	32.10

9. **Openness 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 2025 - 2026	FY 2024 - 2025
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	NIL	NIL
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	70.54%	65.20%
	b. Number of dealers / distributors to whom sales are made	4622	4215
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	27.88%	22.55%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.45%	2.50%
	b. Sales (Sales to related parties / Total Sales)	0.78%	0.19%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	36.08%	23.72%
	d. Investments	95.75%	95.75%

2 PRINCIPLE

Businesses should provide goods and services in a manner that is sustainable and safe.

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.**

Sr. No.	Particular	FY 2025 - 2026	FY 2024 - 2025	Details of improvements in environmental and social impacts
1	R&D	Nil	Nil	-
2	Capex	0.12%	2.71%	Impact: With the installation of the new 100 KL STP, sewage streams have been completely segregated, and the plant is operating at its full designed capacity for canteen and domestic sewage. The treated water consistently meets Pollution Control Board norms, ensuring regulatory compliance and improved environmental sustainability

2. **Sustainable sourcing:**

Does the entity have procedures in place for sustainable sourcing? (Yes/No)	**1. Responsible and Ethical Sourcing** • The Company is committed to responsible sourcing by building ethical, transparent, and long-term relationships with suppliers, vendors, and service providers. • Sustainable procurement practices are embedded across the supply chain to create long-term value while ensuring responsible business conduct. **2. Strengthening Dairy Farmer Partnerships** • Dairy farmers are a vital part of the Company's value chain and play a key role in ensuring a sustainable supply of quality milk. • The Company collaborates closely with farmers to promote sustainable dairy practices, enhance livelihoods, and address key sustainability challenges, thereby fostering resilient and inclusive value chains. **3. Freshness Through Efficient Procurement and Logistics** • The Company procures milk directly from dairy farmers to maintain quality, traceability, and freshness. • A robust procurement and cold chain logistics network enables timely transportation to chilling centres, preserving the nutritional value of milk and minimizing post-procurement losses. **4. Integrating Sustainability into the Supply Chain** • Sustainability principles are integrated throughout the sourcing and procurement process to improve operational efficiency and reduce environmental impact. • The Company continuously strengthens its sourcing practices to support responsible resource utilization while ensuring the consistent delivery of high-quality dairy products to consumers.
If yes, what percentage of inputs were sourced sustainably?	100

3. **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)	• The Company engages authorized and certified waste handlers for the collection and disposal off plastic waste. • Plastic waste, including packaging waste, is recycled in accordance with the applicable Extended Producer Responsibility (EPR) framework. • Hazardous plastic waste is disposed of through authorized vendors. • Organic waste, including food waste generated during operations, is converted into manure wherever feasible.
(b) E-waste	• The Company disposes of electronic waste through authorized IT dismantling, refurbishing, and recycling facilities upon completion of the assets' useful life. • isposal and recycling certificates are obtained from the respective authorized e-waste vendors to ensure compliance with applicable environmental requirements.
(c) Hazardous waste	• End-of-life batteries are disposed of through authorized vendors under buyback arrangements with Original Equipment Manufacturers (OEMs). • Used oil and other hazardous waste are handed over to government-authorized and registered recyclers for environmentally sound disposal.

(d)	other waste	• The Company engages certified waste management agencies for the disposal of other operational waste. • Disposal and recycling certificates are obtained from the respective waste management vendors as part of the Company's compliance process. • Water Recycling and Reuse • Treated effluent water generated during the manufacturing process is recycled and reused for non-potable applications such as washing milk storage tankers, cleaning crates, and gardening, thereby promoting efficient water management. • The Company follows the principles of Reduce, Recycle, and Recover (3R) to enhance resource efficiency, minimize waste generation, and support environmentally sustainable operations
4.a	Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)	Yes
b	If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?	Our Company is committed to circularity in waste management. The company received registration certificate for Brand Owner from Central Pollution Control Board in the month of June 2022, Reg number: Regn.No.BO-15-000-06-AABCP0425G-22. The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards. Collection targets set and met for FY 2025-26 are as follows:

Sl. No	State/UT	Financial Year 2025-26 (Quantity in MT)			
		Cat-I	Cat-II	Cat-III	Cat-IV
1	CPCB	1724	742	751	-
	Total	1724	742	751	-

c	If not, provide steps taken to address the same	-

3 PRINCIPLE

Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		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	1479	1056	71	1479	100	-	-	-	-	-	-
Female	191	77	40	191	100	191	100	-	-	-	-
Total	**1670**	**1133**	**68***	**1670**	**100**	**191**	**11**	**-**	**-**	**-**	**-**

Category	Total (A)	% of employees covered by									
		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)
Other than permanent employees											
Male	205	205	100	205	100	-	-	-	-	-	-
Female	11	11	100	11	100	-	-**	-	-	-	-
Total	**216**	**216**	**100**	**216**	**100**	**-**	**-**	**-**	**-**	**-**	**-**

*The company has provided all employees to avail the option of Company's health insurance coverage. Few employees have decided to opt out of the Company's health insurance coverage and have opted for external health insurance policies.

**Other than permanent employees consist of contract workers who are not provided maternity benefits directly by the Company, as the responsibility for payment lies with the contractor.

1 b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		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	402	103	25.6	402	100.0	-	-	-	-	-	-
Female	1	-	-	1	100.0	1	100.0	-	-	-	-
Total	**403**	**103**	**25.6**	**403**	**100.0**	**1**	**-**	**-**	**-**	**-**	**-**
Other than permanent workers											
Male	648	648	100.0	648	100.0	-	-	-	-	-	-
Female	463	463	100.0	463	100.0	-*	-	-	-	-	-
Total	**1111**	**1111**	**100.0**	**1111**	**100.0**	**-**	**-**	**-**	**-**	**-**	**-**

*Consist of contract workers who are not provided maternity benefits directly by the Company, as the responsibility for payment lies with the contractor.

1 c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2025 - 2026	FY 2024 - 2025
Cost incurred* on well- being measures as a % of total revenue of the company	0.25%	0.25%

*includes staff welfare expenses incurred on canteen facilities and uniforms for employees and workers.

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Category	FY 2025 - 2026			FY 2024 - 2025		
	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%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	8%	29%	Y	10%	53%	Y
Others – please specify	-	-	-	-	-	-

The above details pertains to permanent employees/workers

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the Rights of Persons with Disabilities Act, 2016?	Yes
If not, whether any steps are being taken by the entity in this regard.	The offices are accessible to all its employees including persons with disabilities. The employees are frequently consulted to improve and manage the mobility needs of people with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

If so, provide a web-link to the policy.	The Human Rights Policy provides guidance to be fair and act against discrimination. Discrimination on the basis of race, sex, religion, age, disability, national origin, or other such factors is an explicit violation of this Policy. https://www.paragmilkfoods.com/pdfs/PMFL-Human-Rights-Policy.pdf

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	-	-	-	-
Female	100.00%	100.00%	-	-
Total	**100.00%**	**100.00%**	**-**	**-**

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.**

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	Yes, the Company has a whistle blower and Protection policy in place which provides guidance to raise a complaint in case of any concerns.
Other than Permanent Workers	Yes	Yes, non-permanent workers on our Company's plants are contracted via a 3rd party and their grievance redressal mechanism rests with the contractors. The company ensures that all norms and regulations while working on plants are met.
Permanent Employees	Yes	Yes, the Company has a whistle blower and Protection policy in place which provides guidance to raise a complaint in case of any concerns.
Other than Permanent Employees	Yes	Vendors/contractors are governed under the agreements /contracts signed off. In case of any grievance, they can approach the concerned head of Department or HR directly.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2025 - 2026			FY 2024 - 2025		
	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (E/D)
Total Permanent Employees	1670	-	-	1563	-	-
Male	1479	-	-	1398	-	-
Female	191	-	-	165	-	-
Total Permanent Workers	403	-	-	406	-	-
Male	402	-	-	405	-	-
Female	1	-	-	1	-	-

8. Details of training given to employees and workers:

Category	FY 2025 - 2026					FY 2024 - 2025				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	1684	1684	100.00	1684	100.00	1561	1561	100.00	1561	100.00
Female	202	202	100.00	202	100.00	177	177	100.00	177	100.00
Total	**1886**	**1886**	**100.00**	**1050**	**100.00**	**1738**	**1738**	**100.00**	**1738**	**100.00**
Workers										
Male	1050	1050	100.00	1050	100.00	1080	1080	100.00	1080	100.00
Female	464	464	100.00	464	100.00	458	458	100.00	458	100.00
Total	**1514**	**1514**	**100.00**	**1514**	**100.00**	**1538**	**1538**	**100.00**	**1538**	**100.00**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025 - 2026			FY 2024 - 2025		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	1684	919	54.57	1561	919	58.87
Female	202	104	51.49	177	104	58.76
Total	**1886**	**1023**	**54.24**	**1738**	**1023**	**58.86**
Workers						
Male	1050	368	19.51%	1080	368	34.07
Female	464	1	0.22	458	1	0.22
Total	**1514**	**369**	**24.37**	**1538**	**369**	**23.99**

Note: Only permanent employees and permanent workers are provided performance and career development reviews.

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 systems?	Our comprehensive Health and Safety Management System (HSMS) covers 100% of permanent employees and 100% of contract workers across all Plants. This system, aligned with like ISO 45001 , promotes proactive hazard identification, risk assessment, and control measures. We conduct mandatory Safety / Food Safety for all employees, with refresher courses scheduled on Monthly basis. Training records are maintained at each factory HR for easy tracking and compliance verification. Incident reporting protocols are in place, with investigations led by trained safety officers and root cause analysis conducted within 48hours of incident occurrence. Corrective and preventive actions (CAPA) are documented and tracked for effectiveness. Regular audits, both internal and external done yearly, are conducted to ensure system adherence and identify areas for improvement. Audit findings are reported to senior management, and action plans are implemented to address any non-conformances within 60 days. Regularly tested through Mock drills on half yearly basis involving both employees and relevant community stakeholders where applicable.
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? If Yes, describe the processes?	Regularly conduct comprehensive hazard identification & risk assessment for operations affecting plant, utilizing ISO 45001 principles. This involves: Maintain detailed records of all processes. We utilize a documented methodology, reviewed annually, and available to all stakeholders.
c.	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes / No) If Yes, describe the reporting and protection mechanisms?	Our Company has clear processes for reporting work-related hazards to their supervisors or designated safety officers. These processes includes both formal reporting mechanisms, such as incident reports, and informal reporting mechanisms, such as verbal reporting. Workers are also trained on how to identify and report hazards in their workplace. Additionally, regular safety audits and training are conducted to ensure workers are aware of and follow these processes.
d.	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes / No) If Yes, describe the healthcare services?	The organization provides comprehensive healthcare support through first aid facilities at each unit, well-equipped medical boxes for emergencies, in-house first aid rooms, availability of ambulance services, tie-ups with local hospitals and emergency services, along with Mediclaim benefits to support employees financially.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category*	FY 2025 - 2026	FY 2024 - 2025
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	2.92 lakh man safe hours and LTI - 0.00	5.2 lakh man safe hours and LTI - 0.00
	Workers	11.96 lakh man safe hours and LTI - 0.00	8.9 lakh man safe hours and LTI - 0.00
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High-consequence work-related injury or ill health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

To ensure a safe and healthy workplace, our Company has implemented several measures.

- Firstly, regular safety audits and risk assessments are conducted to identify and address potential hazards.
- Secondly, workers receive comprehensive safety training and be equipped with appropriate personal protective equipment.

- Thirdly, the entity has established clear protocols for reporting and addressing work-related hazards, as well as mechanisms for workers to provide feedback and suggest improvements.
- Fourthly, regular health checks and medical screenings are provided to workers to identify and address any health issues.

Lastly, the entity has established safety culture by promoting safety and health awareness among workers.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025 - 2026			FY 2024 - 2025		
	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	-	-	We have Works Committee at factory and Grievance committee in Corporate office to track any grievances reported.	-	-	NIL
Health & Safety	-	-	We have Safety Committee	-	-	NIL

14. Assessment for the year:

Particulars	% 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. 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.

The Company has been following standard operating procedures to comply with state/local level regulations and ensure safety and hygiene protocols.

4 PRINCIPLE

Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The stakeholder identification process enables Parag to recognize and engage with stakeholders based on the following parameters:

1. Dependency

   Includes individuals or groups that are directly or indirectly dependent on the Company's activities, products, services, or performance. It also includes stakeholders whose support or involvement is essential for Parag to operate effectively.

2. Legal, Commercial, Operational, or Ethical/Moral Relevance

Includes stakeholders to whom the Company has existing or potential legal, commercial, operational, or ethical/moral obligations. This ensures that the Company acts responsibly, transparently, and in compliance with its commitments across all stakeholder relationships.

3. Impact on Decision-Making

Includes stakeholders who have the ability to influence the Company's strategic or operational decisions through advocacy, regulation, partnerships, investments, or other means. Engaging with these stakeholders helps the Company mitigate risks, build trust, and align its business objectives with stakeholder expectations.

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	• Annual General Meeting • Shareholder meets • Email • Stock Exchange (SE) Intimations • Investor/analysts meet • Conference calls • Annual report • Quarterly results • Media releases • Company/SE website • Notice • Newspaper advertisements • One–on–one interaction • Customer satisfaction survey • Feedback surveys and calls post redressal of complaints • Customer service helpline	Quarterly, Half-yearly, Annually and Event based	Share price appreciation, dividends, profitability and financial stability • Robust ESG practices, climate change risks, cyber risks, growth prospects • Queries/suggestions/ assurance/complaints etc • Understanding shareholder expectations
Government/ Regulatory authorities	No	• E-mails and letters • Conferences • Industry forums • Regulatory filings • Meetings with officials • Representations	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

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
Customers	No	• 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 and requirement basis	• Queries/suggestions/ assurance/complaints etc • Understating the customers' requirements
Employees	No	• 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	• Periodical Meetings • Periodical Reports • Emails • One-on-one engagement	Requirement basis	• Understand the banking compliance • Maintaining rapport with our bankers • Banking/Credit facilities.
Community	No	• 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	• 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	• Emails • Need based meetings • Periodical Reports	Quarterly and requirement basis	Discussions on major Investment/ expansion plans, sharing of performance data, facilitate decision making on major topics.
Peers	No	• 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	• 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 event/need basis	Company's business operations, planning, strategies etc.

5

PRINCIPLE

Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

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 2025 - 2026			FY 2024 - 2025		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1670	1670	100.00	1563	1563	100.00
Other than permanent	216	216	100.00	175	175	100.00
Total Employees	**1886**	**1886**	**100.00**	**1738**	**1738**	**100.00**
Workers						
Permanent	403	403	100.00	406	406	100.00
Other than permanent	1111	1111	100.00	1132	1132	100.00
Total Workers	**1514**	**1514**	**100.00**	**1538**	**1538**	**100.00**

2. **Details of minimum wages paid to employees and workers**

Category	FY 2025 - 2026					FY 2024 - 2025				
	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										
Male	1479	-	-	1479	100	1398	-	-	1398	100
Female	191	-	-	191	100	165	-	-	165	100
Total	**1670**	**-**	**-**	**1670**	**100**	**1563**	**-**	**-**	**1563**	100
Other than Permanent										
Male	205	-	-	205	100	163	-	-	163	100
Female	11	-	-	11	100	12	-	-	12	100
Total	**216**	**-**	**-**	**216**	**100**	**175**	**-**	**-**	**175**	**100**
Workers										
Permanent										
Male	402	-	-	402	100	405	-	-	405	100
Female	1	-	-	1	100	1	-	-	1	100
Total	**403**	**-**	**-**	**403**	**100**	**406**	**-**	**-**	**406**	100
Other than Permanent										
Male	648	-	-	648	100	675	-	-	675	100
Female	463	-	-	463	100	457	-	-	457	100
Total	**1111**	**-**	**-**	**1111**	**100**	**1132**	**-**	**-**	**1132**	**100**

3. **Details of remuneration/salary/wages**

a. Median remuneration / wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (INR in Crore per annum)	Number	Median remuneration/ salary/ wages of respective category (INR in Crore per annum)
Board of Directors (BOD)	6	0.36	2	3.37
Key Managerial Personnel	1	0.31	-	-
Employees other than BOD and KMP	1479	0.03	191	0.03
Workers	402	0.03	1	0.01

Note: Board of Directors consists of Chairman, MD, one Executive Director and Five Non-Executive Directors & KMP includes only Company Secretary.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2025 - 2026	FY 2024 - 2025
Gross wages paid to females as % of total wages	3.83%	4.00%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

Yes: The Company has established dedicated teams within its Human Resources Department at the various operating facilities, which are tasked with addressing any human rights concerns that may arise.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Grievance Reporting Mechanism	The Company has implemented a confidential and accessible complaints system through which employees, stakeholders, or affected individuals can report human rights-related concerns. This mechanism is designed to ensure anonymity, where requested, and ease of access for all individuals. Investigation and Remedial Action: Upon receiving a complaint, a dedicated internal team promptly initiates an investigation to assess the validity and seriousness of the issue. Based on the findings, appropriate remedial actions are taken to resolve the matter in a fair and timely manner. Employee Awareness and Training: All employees receive regular training and resources related to human rights, ethical conduct, and respectful workplace behaviour. These initiatives aim to promote a culture of inclusion, dignity, and mutual respect across the organization. Monitoring and Audits: The Company conducts periodic internal assessments and third-party audits to evaluate compliance with human rights policies. These evaluations help in identifying gaps and areas for continuous improvement. Stakeholder Engagement: The Company maintains open and ongoing communication with key stakeholders, including local communities, civil society organizations, and relevant government bodies. This ensures that grievances from external parties are also captured and addressed effectively. Commitment to Inclusivity: Through these mechanisms, the Company reinforces its commitment to upholding human rights and fostering an inclusive and equitable work environment for all.

6. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2025 - 2026			FY 2024 - 2025		
	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	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2025 - 2026	FY 2024 - 2025
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Our Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. Our Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Committees have been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required. Necessary disclosures in relation to the sexual harassment complaints received and redressal thereof are provided in our Integrated Annual Report. Regular awareness and training sessions are conducted to ensure that the employees are fully aware of the aspects of sexual harassment and of the redressal mechanism.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)**

Yes: Our Company ensures that its suppliers/contractors comply with the law of the land regarding human rights by getting such clauses incorporated in their respective contracts/agreements.

10. **Assessments for the year:**

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Our company takes its commitment to human rights seriously and has established a robust Policy to address significant risks and concerns related to child labour, forced labour, sexual harassment, discrimination, and wages. This includes regular assessments to identify any potential violations and regular training for employees to promote awareness and prevent such incidents. In the event of any violations being identified, the company takes prompt and effective corrective action, which may include suspension of work, termination of contracts, or even legal action, as appropriate. Additionally, the company continuously reviews and strengthens its policies and procedures to ensure that human rights are upheld across all operations.

6

PRINCIPLE

Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025 - 2026 (in Giga joules)	FY 2024 - 2025 (in Giga joules)
From renewable sources		
Total electricity consumption (A)	44,776	49,047
Total fuel consumption (B)	5,901	4,097
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	50,677	53,144
From non-renewable sources		
Total electricity consumption (D)	1,45,472	1,31,189
Total fuel consumption (E)	7,90,133	8,77,055
Energy consumption through other sources (F)	0	-
Total energy consumed from non-renewable sources (D+E+F)	9,35,605	10,08,244
Total energy consumed (A+B+C+D+E+F)	9,86,282	10,61,388
Energy intensity per rupee of turnover [Total energy consumed (in GJ) / Revenue from operations (in rupees)]	0.0000264	0.0000315
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total energy consumed (in GJ)/ Revenue from operations in rupees adjusted for PPP]	0.0005361	0.0006512
Energy intensity in terms of physical output [Total energy consumed (in GJ) / physical output not specified]	0.0067261	0.0065969
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		
If yes, name of the external agency.	Limited assurance has been carried out by J Sundharesan & Associates	

(The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 and 2025 by IMF for India which is 20.34 and 20.66 respectively. Physical output has been calculated as the sum of total quantity of Commodities that have been produced during the year.)

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Designated Consumers (DCs): No

Targets Achieved: No

Remedial Action Details: No, we do not have any sites/facilities as Designated Consumers (DCs) under the PAT scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025 - 2026	FY 2024 - 2025
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,04,856	1,08,366
(ii) Groundwater	1,07,613	91,028
(iii) Third party water	1,60,920	1,62,223
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,73,389	3,61,617
Total volume of water consumption (in kilolitres)	3,73,389	3,61,617
Water intensity per rupee of turnover [Total water consumption (in KL) / Revenue from operations (in rupees)]	0.0000100	0.0000107
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total water consumption (in KL) / Revenue from operations in rupees adjusted for PPP]	0.0002030	0.0002219
Water intensity in terms of physical output [Total water consumption (in KL) / mention the physical output details]	0.0025464	0.0022476
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)		
If yes, name of the external agency.	Limited assurance has been carried out by J Sundharesan & Associates	

(The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 and 2025 by IMF for India which is 20.34 and 20.66 respectively. Physical output has been calculated as the sum of total quantity of Commodities that have been produced during the year.)

Note:

The Company has implemented a Nanofiltration–Reverse Osmosis (NF-RO) plant to recover water from cheese whey and has also established systems to recycle treated water from the Effluent Treatment Plant (ETP), thereby reducing freshwater consumption and enhancing water reuse across operations.

4. **Provide the following details related to water discharged:**

Parameter	FY 2025 - 2026	FY 2024 - 2025
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	-	-
With treatment – Manchar Plant : Tertiary 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 – please specify level of treatment	3,69,729	3,72,153
Total water discharged (in kilolitres)	3,69,729	3,72,153
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.	Limited assurance has been carried out by J Sundharesan & Associates	

5. **Has the entity implemented a mechanism for Zero Liquid Discharge?**

If yes, provide details of its coverage and implementation.

The Company has implemented a comprehensive ZLD programme aimed at eliminating the discharge of liquid waste from its operations.

Prevention of Pollution: The ZLD initiative covers various operational processes and is designed to prevent the release of harmful chemicals, pollutants, and untreated effluents into the environment.

Advanced Treatment Systems: The Company has invested in advanced effluent treatment and water management systems to support its ZLD objectives and ensure effective treatment and management of wastewater.

Continuous Improvement: The Company continuously explores opportunities to optimize operational processes and adopt cleaner and more sustainable technologies.

Reuse of Treated Effluent: Treated effluent generated from production facilities is recycled and reused for non-potable applications, including washing milk storage tankers and crates.

Gardening and Landscaping: Treated effluent is also utilized for gardening and landscaping activities, thereby reducing the dependence on freshwater resources.

Resource Conservation: Through recycling and reuse of treated effluent, the Company seeks to reduce freshwater consumption, minimize wastewater discharge, and promote responsible water resource management.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2025 - 2026	FY 2024 - 2025
NOx	mg/Nm3	36.80	36.00
SOx	mg/Nm3	29.80	35.82
Particulate matter (PM)	ppm	39.10	34.82
Persistent organic pollutants (POP)	ppm	-	-
Volatile organic compounds (VOC)	ppm	-	-
Hazardous air pollutants (HAP)	ppm	-	-
Others – please specify	ppm	-	-
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.		Yes: 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 2025 - 2026	FY 2024 - 2025
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	93,459	81,268
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	30,444	24,834
Total Scope 1 and Scope 2 emissions per rupee of turnover [Total Scope 1 and Scope 2 GHG emissions (in $MTCO_2e$) / Revenue from operations (in rupees)]		0.0000033	0.0000032
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total Scope 1 and Scope 2 GHG emissions (in $MTCO_2e$) / Revenue from operations in rupees adjusted for PPP]		0.0000673	0.0000651
Total Scope 1 and Scope 2 emission intensity in terms of physical output [Total Scope 1 and Scope $_2$ GHG emissions (in $MTCO_2e$) / mention the physical output details]		0.0008450	0.0006595
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-
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.		Limited assurance has been carried out by J Sundharesan & Associates	

(The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 and 2025 by IMF for India which is 20.34 and 20.66 respectively. Physical output has been calculated as the sum of total quantity of Commodities that have been produced during the year.)

8. **Does the entity have any project related to reducing Green House Gas emission? (Yes / No)**

Does the entity have any project related to reducing Green House Gas emission? (Yes / No) Yes	**Solar Power Agreements:** We have entered into agreements for the purchase and delivery of solar power with Tata Solar Power, committing to an 8 MVA Solar Power capacity. The Power Purchase Agreement (PPA), Shareholder Agreement (SHA), and Power Delivery Agreement (PDA) have been completed • **Biogas Power Generation:** Currently, we are generating 2,000 units per day from biogas produced at our Effluent Treatment Plant (ETP). This renewable energy is being used to support operations and reduce reliance on non-renewable energy sources. • **Biogas for Canteen Operations:** Biogas generated from our ETP is also being used in our canteen, replacing 7 LPG cylinders per day. This has led to an annual savings of 49,000 kg of LPG, demonstrating our commitment to utilizing renewable energy sources in daily operations. • **Refrigeration System Upgrade:** We have transitioned 1,200 TR refrigeration units from Freon to 134A, which contributes to the reduction of ozone depletion. We plan to replace all remaining Freon-based systems by 2026 to further mitigate environmental impact. • **Ozone-Friendly Refrigerants:** Additionally, 12 TR refrigeration units have been replaced from R22 to R407C, a more environmentally friendly alternative. We will continue replacing Freon-based refrigeration units until 2026. • **Wood Briquettes for Boilers:** In our efforts to reduce the use of fossil fuels, we have switched to wood briquettes for boiler operations, leading to a reduction in coal consumption by 6 tons annually. • **Biogas Generation from Cow Dung:** At our cow farm, we are generating 1,800 units per day of biogas from cow dung. This renewable energy contributes to both environmental sustainability and operational efficiency. • **Integrated Renewable Energy and Sustainable Agriculture:** In partnership with Irisoil Agro Tech Pvt. Ltd, we have launched an integrated renewable energy and sustainable agriculture scheme for our milk producers. This initiative provides household-level biogas plants, slurry filtration units, vermicomposting bags and ozola bags at no cost about 250 milk producers. As a result, these farmers no longer need to purchase gas cylinders throughout the year, reducing their dependency on non-renewable energy.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025 - 2026	FY 2024 - 2025
Total Waste generated (in metric tonnes)		
Plastic waste (A)	87.65	38.81
E-waste (B)	2.09	583.51
Bio-medical waste (C)	4.51 Kg	46 Grams
Construction and demolition waste (D)	-	NIL
Battery waste (E)	0.41	NIL
Radioactive waste (F)	-	-
Other Hazardous waste.	Scrap oil - 4.3 KL	Scrap Oil-2.8 KL
Please specify, if any. (G)		
Other Non-hazardous waste generated (H). ETP Sludge & Fly Ash specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	ETP Sludge-529 MT Fly Ash-684 MT	ETP Sludge-620 MT Fly Ash-1263.110 MT
Total (A+B + C + D + E + F + G + H)	1307.53	2,508.23
Waste intensity per rupee of turnover [Total waste generated (in MT) / Revenue from operations (in rupees)]	0.000000035	0.000000074
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total waste generated (in MT) / Revenue from operations in rupees adjusted for PPP]	0.0000007	0.0000015
Waste intensity in terms of physical output [Total waste generated (in MT) / mention the physical output details]	0.0000089	0.0000156
Waste 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	107.38	38.81 MT
(ii) Re-used	ETP Sludge-529 MT Fly Ash-684 MT	ETP Sludge-620 MT Fly Ash-1263.110 MT

Parameter	FY 2025 - 2026	FY 2024 - 2025
(iii) Other recovery operations	-	-
Total	1320.38	1,921.92 MT
For each category of waste generated, total waste disposed by nature of disposal (in metric tonnes)		
Category of waste		
(i) Incineration	100 % incinerated 4.51 kg of Biomedical waste	100 % incinerated 46 grams of Biomedical waste
(ii) Landfilling	-	-
(iii) Other disposal operations	Scrap used oil- 4.3 KL	Scrap used oil- 2.8 KL
Total	i) 100 % incinerated 4.51 kg of Biomedical waste ii) Scrap used oil- 4.3 KL	i) 100 % incinerated 46 grams of Biomedical waste ii) Scrap used oil- 2.8 KL
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.	Limited assurance has been carried out by J Sundharesan & Associates	

(The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 and 2025 by IMF for India which is 20.34 and 20.66 respectively. Physical output has been calculated as the sum of total quantity of Commodities that have been produced during the year.)

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our Company ensures responsible waste management practices involving 100% recycling of plastic waste as EPR, 100% Fly ash use, ETP treated water usage for Gardening and Agriculture, Safe disposal of waste across locations. Biogas generated during Effluent treatment (within the plant) is used for Cooking and Electricity generation.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. 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.
1	-	-	-	-

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the following format:

Sr. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
1	-	-	-	-	-	-

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).

Yes

If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts
1	-	-	-

7 PRINCIPLE

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

   3

   b. List the top 10 trade and industry chambers/ associations (determined based on the total numbers of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the Trade and Industry Chambers / Associations	Reach of Trade and Industry Chambers / Associations (State / National / International)
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 anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
-	-	-

8 PRINCIPLE

Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

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
No SIA projects in current FY					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. 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 INR)
1	No R&R projects in current FY	-	-	-	-	-

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Grievance Redressal Mechanism (GRM) plays a vital role in strengthening our relationship with the local community and supports our social license to operate, particularly in the execution of community development initiatives. As part of this mechanism, local employees are actively engaged in conducting regular visits and interactions with community members to understand and address any concerns they may have.

   These continuous engagements help us maintain open communication and foster trust. To date, no specific grievances have been reported by the community through these channels.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Particulars	FY 2025 - 2026	FY 2024 - 2025
Directly sourced from MSMEs/ small producers	8.27	5.29
Directly from within India	91.65	94.51

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**

Particulars	FY 2025 - 2026	FY 2024 - 2025
Rural	57%	54%
Semi-urban	-	-
Urban	5%	-
Metropolitan	38%	46%

   (Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)

9 PRINCIPLE

Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services; and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   We are committed to delivering high-quality products and exceptional customer service. Recognizing that concerns may occasionally arise, we have established a comprehensive consumer grievance redressal mechanism to ensure that every complaint is addressed promptly, fairly, and effectively.

   We have implemented a structured process for receiving, tracking, and resolving consumer complaints in a timely manner. Our dedicated customer service team is trained to handle customer concerns with professionalism, empathy, and efficiency, while working closely with relevant internal teams to ensure appropriate resolution and continuous improvement.

   We value customer feedback as an important driver of product and service enhancement. By actively listening to our consumers and addressing their concerns transparently, we strive to build trust, strengthen customer relationships, and enhance overall customer satisfaction. Delivering a positive customer experience remains a key priority across all our operations.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. **Number of consumer complaints in respect of the following:**

Particular	FY 2025 - 2026			FY 2024 - 2025		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	-	-	-	-	-	No such complaint received during the reporting period
Advertising	-	-	-	-	-	No such complaint received during the reporting period
Cyber-security	-	-	-	-	-	No such complaint received during the reporting period
Delivery of essential services	310	-	-	299	-	All consumer complaints with regards to delivery of milk have been construed under consumer complaints regarding delivery of essential services
Restrictive Trade Practices	-	-	-	-	-	No such complaint received during the reporting period
Unfair Trade Practices	-	-	-	-	-	No such complaint received during the reporting period
Other	2522	-	-	1920	-	It includes all consumer queries, product related information and complaints, and services, received through phone, emails.

Note: All consumer complaints with regards to delivery of milk have been construed under consumer complaints regarding delivery of essential services

**It includes all consumer queries, product related information and complaints, and services, received through phone, emails.

4. **Details of instances of product recalls on account of safety issues:**

Particular	Number	Reason for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)**

The Company's approach to cyber and data privacy risks is governed by the Information Management Policy, which outlines the overarching framework for managing information security. The Privacy Policy, which forms an integral part of the Information Management Policy, is accessible to employees via Parag's Portal.

If available, provide a web link of the policy

Please refer to: https://www.paragmilkfoods.com/policy.php?id=70

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No penalty or action taken by any authority on safety of products/services around issues relating to advertising, cybersecurity, data privacy or delivery of essential services. There have been no instances of product recalls or action taken by regulatory authorities with regards to safety of products.

7. **Number of instances of data breaches along-with impact**

Particular	Current Financial Year	Previous Financial Year
1. Number of instances of data breaches	Nil	-
2. Percentage of data breaches involving personally identifiable information of customers	-	-
3. Impact, if any, of the data breaches	-	-

Independent Auditor's Report

To the Members of Parag Milk Foods Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Parag Milk Foods Limited** (the 'Company'), which comprise the Standalone Balance Sheet as at 31st March, 2026, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material and other accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1.	**Valuation of trade receivables** (Refer Note 11 to the standalone financial statements)	
	As at 31st March, 2026, the trade receivables balance excluding provisions included in Note 11 were ₹ 238.16 crore. We have identified valuation of trade receivables as a key audit matter on account of the significant management judgment involved with respect to the recoverability of trade receivables and the provisions for impairment of receivables, and the importance of cash collection with reference to the working capital management of the business.	Our audit procedures included but were not limited to the following: a) Understanding the trade receivables process with regards to valuation and evaluation of controls designed and implemented by the management; b) Assessment of the appropriateness of the Company's credit risk policy and obtaining an understanding on management of credit risk; c) Control testing: • 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 d) Tests of details: • We have checked the ageing analysis, on a sample basis and subsequent receipt of the trade receivables, to the source documents including bank statements;

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
		• 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; • 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; and • 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.
2.	**Revenue recognition** (Refer Note 26 to the standalone financial statements)	
	The revenue of the Company consists primarily of sale of milk and milk products that are sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognized when the control of products is transferred to the customer and there is no unfulfilled obligation. Owing to the volume of sales transactions, size of the distribution network and varied terms of contracts with customers, revenue is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and hence, requiring significant auditor attention. The management is required to make certain key judgements around determination of transaction price in accordance with the requirements of Ind AS 115, *Revenue from Contracts with Customers*, on account of consideration payable to customers in the form of various discount schemes, returns and rebates. The Company and its external stakeholders focus on revenue as a key performance indicator and this could create an incentive for revenue to be overstated or recognised before control has been transferred. Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year's audit.	Our key audit procedures around revenue recognition included, but were not limited to, the following: • Assessed the appropriateness of the revenue recognition accounting policies of the Company including those relating to rebates and trade discounts, by evaluating compliance with the applicable accounting standards; • Evaluated the design and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general and specific information technology controls; • Performed substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable; • Understood and evaluated the Company's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes; • Performed analytical review procedures on revenue recognised during the year to identify any unusual and/or material variances; • Performed confirmation and alternative procedures on selected invoices outstanding as at the year-end; • Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognized in the appropriate financial period; • Tested a sample of manual journal entries posted to revenue ledgers to identify any unusual items; and • Evaluated the appropriateness and adequacy of disclosures in the standalone financial statements in respect of revenue recognition in accordance with the applicable requirements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 except for the matter stated in paragraph (h)(vi) below;

   (c) The standalone balance sheet, the standalone statement of profit and loss, the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer Note 41 to the standalone financial statements);

      (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, during the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (the 'Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, during the year, no funds have been received by the Company from any person or entity, including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement.

(v) (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.

(b) As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.

(vi) Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

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.

Further, the audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Edwin Paul Augustine
Partner
Membership No. 043385
UDIN: 26043385KBLRJW3435

Mumbai, 7th May, 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of the Company's property, plant and equipment and intangible assets

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets, *except for certain property, plant and equipment where quantitative details are not available since inception. However, the Company is in the process of preparing / updating the same;* and

(B) The Company is maintaining proper records showing full particulars of intangible assets;

(b) During the year, the property, plant and equipment of the Company have been physically verified by the management, except as stated in *Paragraph (i)(a)(A)* above and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee), disclosed in the standalone financial statements are held in the name of the Company;

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year. Accordingly, the Paragraph 3(i)(d) of the Order is not applicable to the Company; and

(e) The Company is not holding any benami property under the Benami Transactions (Prohibition) Act,1988 (as amended in 2016) and rules made thereunder. Accordingly, the Paragraph 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for the stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on physical verification carried out during the year; and

(b) The Company has been sanctioned working capital limits in excess of ₹ five crore in aggregate from banks during the year on the basis of security of current assets. The Company has filed monthly statements with such banks which are in agreement with the books of account (Refer Note 47(a) of standalone financial statements).

Further the Company has issued secured foreign currency convertible bonds (FCCB) to financial institution, which got converted into equity shares during the year and are not required to file statements with financial institution.

(iii) (a) During the year, the Company has not made investments in, provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships. However, the Company has provided loans as detailed below:

(₹ in crores)

Particulars	Guarantee	Security	Loans	Advances in nature of loans
(A) Aggregate amount granted / provided during the year				
Subsidiary company	-	-	10.00	-
(B) Balance outstanding as at 31st March, 2026 in respect of above cases				
Subsidiary company	-	-	30.00	-

(b) The aforesaid loan granted is not prejudicial to the interest of the Company;

(c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest in respect of the loan has been stipulated and the repayments or receipts are regular;

(d) In respect of the aforesaid loan, there is no overdue amount for more than ninety days;

(e) There was no loan or advance in the nature of loans granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties; and

(f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting on the Paragraph 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues to the appropriate authorities.

(b) The statutory dues referred to (a) above, which have not been deposited on account of any dispute, the amounts involved and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the dues	Gross Amount (₹ in Crores)	Amount deposited/paid (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
The Maharashtra Value Added Tax Act, 2002	Tax and Penalty	3.24	-	FY 2009-10	Joint Commissioner of Sales Tax (App)-1
The Central Goods and Services Tax Act, 2017	Tax, Interest and Penalty	0.21	0.01	FY 2017-18	Commissioner of GST and Central Excise
	Tax, Interest and Penalty	0.23	0.10	FY 2018-19	Commissioner of GST and Central Excise
	Tax, Interest and Penalty	0.66	0.03	FY 2019-20	Commissioner of GST and Central Excise
	Tax, Interest and Penalty	2.44	0.26	FY 2020-21	Commissioner of GST and Central Excise
	Tax, Interest and Penalty	1.66	0.09	FY 2021-22	Commissioner of GST and Central Excise
	Tax, Interest and Penalty	0.04	0.00	FY 2022-23	Commissioner of GST and Central Excise
The Wealth Tax Act, 1957	Tax and Interest	0.01	-	AY 2014-15	Online response
The Income Tax Act, 1961	Tax and Interest	0.06	-	AY 2014-15	Commissioner (Appeals)
	Tax and Interest	0.51	-	AY 2015-16	Commissioner (Appeals)
	Tax, Interest and Penalty	17.62	0.96	AY 2016-17	Commissioner (Appeals)
	Tax and Interest	7.18	-	AY 2017-18	Commissioner (Appeals)
	Tax and Interest	5.99	0.91	AY 2018-19	Commissioner (Appeals)
	Tax, Interest and Penalty	26.66	11.52	AY 2019-20	Commissioner (Appeals)
	Tax, Interest and Penalty	18.40	6.41	AY 2020-21	Commissioner (Appeals)
	Tax, Interest and Penalty	5.99	8.38	AY 2021-22	Commissioner (Appeals)
	Tax, Interest and Penalty	1.52	5.11	AY 2022-23	Commissioner (Appeals)

(viii) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the 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*, utilised the money obtained by way of term loans during the year for the purposes for which they were obtained;

(d) We report that no funds raised on short-term basis have, *prima facie*, been used for long-term purposes by the Company;

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act; and

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary as defined under the Act.

(x) (a) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the Paragraph 3(x)(a) of the Order is not applicable to the Company; and

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on the Paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) We have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management;

(b) No report under Section 143(12) of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year; and

(c) We have taken into consideration the whistle-blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company. Accordingly, the Paragraph 3(xii) of the Order is not applicable.

(xiii) All transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) The Company has adequate internal audit system commensurate with the size and the nature of its business; and

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date and made available to us, in determining the nature, timing and extent of our audit procedures.

(xv) The Company, during the year, has not entered into any non-cash transactions with directors or persons connected with its directors and hence, the provisions of Section 192 of the Act is not applicable. Accordingly, the 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 activities. 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 in the financial year and immediately preceding financial year.

(xviii) There has been no resignation of statutory auditors during the year. Accordingly, the 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 does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, the Paragraph 3(xx)(a) and (b) of the Order is not applicable to the Company.

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

Edwin Paul Augustine
Partner
Membership No. 043385
UDIN: 26043385KBLRJW3435

Mumbai, 7th May, 2026

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **Parag Milk Foods Limited** (the 'Company'), as of 31st March, 2026 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 31st March, 2026, 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: 26043385KBLRJW3435

Mumbai, 7th May, 2026

Standalone Balance Sheet

as at 31st March, 2026

(₹ in crores)

Particulars	Notes	As at 31st March, 2026	As at 31st March, 2025
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	328.16	314.04
(b) Capital work-in-progress	4A	26.45	12.24
(c) Other intangible assets	5	6.28	1.24
(d) Right-of-use assets	5A	56.28	24.24
(e) Financial assets			
(i) Investments	6	108.85	108.85
(ii) Loans	7	30.00	20.00
(iii) Other financial assets	8	48.79	40.91
(f) Other non-current assets	9	210.71	192.68
Total Non-current assets		**815.52**	**714.20**
(2) Current assets			
(a) Inventories	10	713.09	563.34
(b) Financial assets			
(i) Trade receivables	11	230.78	249.40
(ii) Cash and cash equivalents	12	2.40	11.64
(iii) Bank balances other than (ii) above	13	14.99	13.16
(c) Current tax assets (net)	14	53.75	37.08
(d) Other current assets	15	356.30	336.27
Total Current assets		**1,371.31**	**1,210.89**
Total Assets		**2,186.83**	**1,925.09**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	125.01	119.20
(b) Other equity	17	1,165.77	920.60
Total Equity		**1,290.78**	**1,039.80**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	111.09	197.04
(ii) Lease liabilities	19	39.34	17.02
(b) Provisions	20	7.43	4.26
(c) Deferred tax liabilities (net)	34	10.26	2.90
Total Non-current liabilities		**168.12**	**221.22**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	374.29	357.71
(ii) Lease liabilities	22	13.63	7.01
(iii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		40.67	11.16
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		195.31	211.95
(iv) Other financial liabilities	24	55.22	49.68
(b) Other current liabilities	25	48.81	26.56
Total Current liabilities		**727.93**	**664.07**
Total Liabilities		**896.05**	**885.29**
Total Equity and Liabilities		**2,186.83**	**1,925.09**
See accompanying notes forming an integral part of the standalone financial statements	1 to 54		

As per our report of even date attached
SHARP & TANNAN
Chartered Accountants
Firm Registration No. 109982W
by the hand of

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

Edwin Paul Augustine
Partner
Membership No. 043385

Devendra Shah
Chairman
DIN: 01127319

Pritam Shah
Managing Director & Interim Chief Financial Officer
DIN: 01127247

Virendra Varma
Company Secretary & Compliance Officer
Membership No. F10520

Place: Mumbai
Date: 07th May, 2026

Place: Mumbai
Date: 07th May, 2026

Standalone Statement of Profit and Loss

for the year ended 31st March, 2026

(₹ in crores)

Particulars	Notes	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(I) Income			
(a) Revenue from operations	26	3,742.03	3,367.40
(b) Other income	27	35.43	26.60
Total Income		**3,777.46**	**3,394.00**
(II) Expenses			
(a) Cost of materials consumed	28	2,931.28	2,422.45
(b) Changes in inventories of finished goods and work-in- progress	29	(138.10)	56.48
(c) Employee benefits expense	30	164.99	133.13
(d) Finance costs	31	72.28	85.07
(e) Depreciation and amortisation expense	32	60.40	59.68
(f) Other expenses	33	522.43	502.35
Total Expenses		**3,613.28**	**3,259.16**
(III) Profit Before Exceptional Items and Tax (I-II)		**164.18**	**134.84**
Exceptional items (Refer note 51)		5.39	-
Profit before tax		**158.79**	**134.84**
(IV) Tax expense			
Current tax	48	0.45	-
Deferred tax charge	34	7.46	11.30
(V) Profit for the year (III-IV)		**150.88**	**123.54**
(VI) Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements loss of the defined benefit plans	40	0.40	2.45
Income tax on above	34	(0.10)	(0.62)
Other comprehensive income for the year, net of tax		**0.30**	**1.83**
(VII) Total Comprehensive income for the year (V - VI)		**150.58**	**121.71**
(VIII) Earnings per equity share (of face value of ₹ 10 each)	43		
Basic (in ₹)		12.36	10.36
Diluted (in ₹)		11.80	9.89
See accompanying notes forming an integral part of the standalone financial statements	1 to 54		

As per our report of even date attached
SHARP & TANNAN
Chartered Accountants
Firm Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

Place: Mumbai
Date: 07th May, 2026

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: 07th May, 2026

Standalone Statement of Changes in Equity

for the year ended 31st March, 2026

Equity share capital (Refer note 16)

(₹ in crores)

Particulars	For the year ended 31st March, 2026				
	Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
Issued, subscribed and paid-up (Equity shares of face value ₹ 10 each)	119.20	-	119.20	5.81	125.01

(₹ in crores)

Particulars	For the year ended 31st March, 2025				
	Balance at the beginning of the previous reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
Issued, subscribed and paid-up (Equity shares of face value ₹ 10 each)	**119.20**	-	119.20	0.00	**119.20**

Other equity

(₹ in crores)

	Reserves and Surplus					Money received against share warrants	Equity component of FCCB	Total other equity
	Securities premium	General reserve	Share options outstanding Account	Other Comprehensive Income	Retained earnings			
Balance as at 1st April, 2024	**776.77**	**5.93**	**-**	**0.37**	**10.77**	**-**	**10.68**	**804.53**
Profit for the year	-	-	-	-	123.54	-	-	123.54
Other comprehensive income for the year (net of tax)	-	-	-	(1.83)	-	-	-	(1.83)
Dividend paid	-	-	-	-	(5.97)	-	-	(5.97)
Share based payment expenses	-	-	0.34	-	-	-	-	0.34
Balance as at 31st March, 2025	**776.77**	**5.93**	**0.34**	**(1.46)**	**128.34**	**-**	**10.68**	**920.60**

Standalone Statement of Changes in Equity

for the year ended 31st March, 2026

(₹ in crores)

	Reserves and Surplus					Money received against share warrants	Equity component of FCCB	Total other equity
	Securities premium	General reserve	Share options outstanding Account	Other Comprehensive Income	Retained earnings			
Profit for the year	-	-	-	-	150.88	-	-	150.88
Other comprehensive income for the year (net of tax)	-	-	-	(0.30)	-	-	-	(0.30)
Dividend paid	-	-	-	-	(11.94)	-	-	(11.94)
Share based payment expenses	-	-	5.24	-	-	-	-	5.24
Derecognition on conversion of FCCB (Refer note 16 (i))	-	-	-	-	-		(10.68)	(10.68)
Premium on conversion of FCCB (Refer note 16 (i))	71.67	-	-	-	-	-	-	71.67
Money received against share warrants (Refer note 16 (h))	-	-	-	-	-	40.30	-	40.30
Balance as at 31st March, 2026	**848.44**	**5.93**	**5.58**	**(1.76)**	**267.28**	**40.30**	**-**	**1,165.77**

Refer note 17 for nature and purpose of reserves

See accompanying notes forming an integral part of the standalone financial statements

As per our report of even date attached
SHARP & TANNAN
Chartered Accountants
Firm Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

Place: Mumbai
Date: 07th May, 2026

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: 07th May, 2026

Standalone Statement of Cash Flows

for the year ended 31st March, 2026

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Cash Flows from Operating Activities		
Profit before tax	158.79	134.84
Adjustments for:		
Depreciation and amortisation expense (includes on Right-of-use assets)	60.40	59.68
Reversal for doubtful advances	(7.16)	(8.87)
Reversal of expected credit loss	(2.00)	(12.63)
Bad debts written-off	6.52	35.01
Reversal of expected credit loss	(6.52)	(35.01)
Share-based payment expenses	5.24	0.34
Finance costs	72.28	85.07
Sundry balances written off	0.40	-
Exchange fluctuation (gain)/loss (net)	(15.06)	2.49
(Gain)/ Loss on sale of property, plant and equipments (net)	(3.41)	0.04
Gain on termination of lease	(0.21)	(0.26)
Interest income	(5.32)	(3.21)
Operating profit before working capital changes	**263.95**	**257.49**
Adjustments for :		
(Increase)/ decrease in inventories	(149.75)	34.92
Increase in trade receivables and other receivables	(9.86)	(84.88)
Increase/ (decrease) in trade payables and other payables	42.43	(7.58)
Increase/ (decrease) in provisions	2.77	(0.77)
Cash generated from operations	**149.54**	**199.18**
Direct taxes paid (net of refunds)	(17.12)	(11.94)
Net cash flows generated from operating activities	**132.42**	**187.24**
B. Cash Flows from Investing Activities		
Investment in ROU assets	(5.26)	(2.55)
Purchase of property, plant and equipment	(89.78)	(98.90)
Purchase of intangible assets	(3.10)	(0.83)
Sale of property, plant and equipment	16.87	0.04
Loan given to subsidiary	(10.00)	(20.00)
Investment in fixed deposits	(10.38)	(9.70)
Interest received	3.25	2.10
Net cash flows used in investing activities	**(98.40)**	**(129.84)**
C. Cash Flows from Financing Activities		
Proceeds from issue of shares	77.48	-
Proceed from issue of warrants	40.30	-
Proceeds from long-term borrowings	34.30	45.31
Repayment of long-term borrowings	(110.52)	(25.77)
Proceeds from short-term borrowings (net)	10.74	23.56
Payment of principal portion of lease liabilities	(11.65)	(9.08)
Payment of interest portion of lease liabilities	(4.86)	(4.12)
Interest paid	(67.11)	(79.73)
Dividend paid	(11.94)	(5.97)
Net cash flows used in financing activities	**(43.26)**	**(55.80)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(9.24)	1.60
Cash and cash equivalents at the beginning of the year	11.64	10.04
Cash and cash equivalents at the end of the year	2.40	11.64

Standalone Statement of Cash Flows

for the year ended 31st March, 2026

Components of cash and cash equivalents

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cash and cash equivalents include:		
Balances with banks	0.50	9.63
Cash on hand	1.90	2.01
Total	**2.40**	**11.64**

Notes :

1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, *Statement of Cash Flows* as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).

2) Additions to property, plant and equipment include movements of capital work-in-progress and capital advance during the year.

3) Changes in liabilities arising from financing activities

(₹ in crores)

Particulars	Opening Balance	Cash movement	Non-Cash Changes		Closing Balance
			Fair value changes	Others	
Long term borrowing (gross)	197.04	(76.22)	(1.39)	(8.34)	111.09
Short term borrowing (net)	357.71	10.74	-	5.84	374.29
Lease liability (ROU Asset)	24.03	(16.51)	-	45.45	52.97
Total	**578.78**	**(81.99)**	**(1.39)**	**(42.95)**	**538.35**

4) Figures for the previous year have been regrouped wherever necessary.

See accompanying notes forming an integral part of the standalone financial statements

As per our report of even date attached
SHARP & TANNAN
Chartered Accountants
Firm Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

Place: Mumbai
Date: 07th May, 2026

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: 07th May, 2026

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

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 (clarified butter), Fresh cream, Milk powder, Flavoured milk, Lassi (yogurt based drink), Curd, Mithai (Indian sweets) etc., which are marketed under its registered brand name 'Gowardhan', 'Go', 'Gowardhan Khushiyan Mithai' and 'Avvatar'.

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited.

The standalone financial statements were approved for issue by the Company's Board of Directors on 7th May, 2026.

2. Basis of Accounting and Preparation of Financial Statements

2.1 Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act'), and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Act. The Company has prepared the standalone 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 standalone financial statements.

Details of Company's material accounting policies are included in Note 3 below.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), the functional currency of the Company.

2.3 Basis of measurement

The standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for the following items:

Items	Measurement Basis
Certain Financial Assets and Liabilities	Fair value
Shared-based Payment	Fair value
Net Defined Benefit (Asset)/ Liability	Present value of defined benefit obligation less fair value of plan assets

The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Standalone financial statements along with the other notes required to be disclosed under the notified accounting standards.

2.4 Current/ Non-Current Classification

(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 twelve months from the date of the financial statements. Accordingly, assets / liabilities expected to be realised / settled within twelve months from the date of financial statements are classified as current and other assets / liabilities are classified as non-current.

The Company presents assets and liabilities in the standalone balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(ii) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores (₹ 00,00,000) as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

2.5 Use of estimates and judgements

In the preparation of the standalone financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reported period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known / materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is as below:

- Note 39 - Leases - determination of lease term of contracts with renewal and termination options – Company as a lessee.
- Note 10 - Inventories - Valuation of Inventories

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year are as below and been discussed in detail in the relevant section of accounting policies:

- Note 40 - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 41 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 4 - Useful life of Property, Plant and Equipment
- Note 36 - Fair value measurement of financial instruments
- Note 11 - Allowance for doubtful debt as per expected credit loss basis
- Note 34 - Estimation of tax expenses, utilization of deferred tax assets and tax payable.
- Note 39 - Lease liabilities for calculating the present value of lease payment, the use of incremental borrowing rate is made at the lease commencement date
- Note 37 - Impairment of financial assets.
- Note 10 - Inventories – determination of net realisable value
- Note 45 – Estimates related to Share based payment. It requires determination of the most appropriate valuation model, which is determined on the terms and conditions of the grant.

2.6 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,

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

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.

3 Material Accounting policies

The material accounting policies applied in the preparation of the standalone financial statements are set out in the relevant notes thereto.

3.1 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.

Cost of an item of property, plant and equipment includes its purchase price, non-refundable purchase taxes, duties, 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 from the useful life of the remaining asset, useful life of that material part is determined separately, and such asset component is depreciated over its useful life.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in standalone 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.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance cost are charged to the standalone statement of profit and loss during the reporting period in which they are incurred.

Depreciation

Property plant and equipment are subsequently measured at cost less accumulated depreciation less accumulated impairment losses if any. A depreciable amount for asset is the cost of an asset or other substituted cost less its estimated residual value.

Depreciation on cost of Property, plant and equipment is provided on straight-line-method based on 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 based on the management estimates of useful life, namely 3 years.

Depreciation on additions is provided on a *pro-rata* basis from the date of ready to use and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a *pro-rata* basis up to the month proceeding the month of deduction/disposal.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than estimated recoverable amount.

Useful life of the assets are as follows: -

Management believes that such estimated useful lives are realistic and reflects a fair approximation of the period over which the assets are likely to be used.

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Property plant and equipment other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Derecognition

An item of Property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the Property, plant and equipment and are recognized in the standalone statement of profit and loss when the Property, plant and equipment 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 comprises costs incurred in respect of Property, plant and equipment that are not yet ready for their intended use as at the balance sheet date. Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

Advances paid towards acquisition of Property plant and equipment outstanding as at each balance sheet date are classified as capital advances under “Other Non-Current Assets”

3.2 Other Intangible assets

Recognition and measurement

Other 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 and making the asset ready for its intended use. Expenses related to incidental operations are recognised in the standalone statement of profit and loss.

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 standalone statement of profit and loss when incurred.

Amortization

Intangibles are subsequently measured at cost less accumulated amortisation and impairment losses, if any. Amortization is recognized in standalone statement of 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. Changes, if any are accounted for as changes in accounting estimates.

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.

Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the standalone statement of profit and loss when the asset is derecognised.

3.3. Impairment

Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL with simplified approach. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

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 standalone statement of profit and loss.

As a practical expedient, the Company applies a provision matrix to measure the lifetime expected credit losses (ECL) on its trade receivables. The provision matrix is based on ageing of receivables and is adjusted to reflect forward-looking information. The Company has deployed a standard operating procedure for accounting of ECL and the same is being followed consistently. At each reporting date, the historical default rates and forward-looking estimates are reviewed and updated, as appropriate.

Non - Financial Assets other than Inventory and Deferred tax 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. For the purpose of assessing impairment, a cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. In such cases, the recoverable amount is determined for the cash generating units (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the standalone 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 standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.4 Leases

The Company's lease portfolio primarily comprises leases of land and buildings for offices, warehouse spaces, plant and equipment, and vehicles. 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 contains an identified asset which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;

(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 throughout the period of use.

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. ROU assets are evaluated for recoverability whenever the event or change in circumstances indicate that their carrying amount may not be recovered.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

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. It is remeasured to reflect any reassessment or modification or if there are changes in in-substance fixed payments. When lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset or profit and loss, if the right of use asset or profit or loss, if the right of use asset is already reduced to zero.

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

The following is the summary of practical expedients:

1. Applied a single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date.

2. Applied the exemption not to recognize ROU asset and liabilities for leases with less than twelve months of lease term of the date of initial application.

3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116, is applied only to contracts that were previously identified as leases under Ind AS 17, *Leases*.

4. Excluding initial direct costs for the measurement of ROU asset at the date of initial application.

The Company as a lessor

Leases for which the Company is a lessor classified as finance or operating lease. Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

3.5 Inventories

Inventories comprise of raw material, work in progress, packing material, stores spares and consumables and Finished Goods. Inventories are initially recognised at cost (including prime cost, GST and other overheads incurred in bringing the inventories to their present location and condition) and subsequently at the lower of cost or 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 in the ordinary course of business less the estimated cost of completion and the estimated cost to make the sale.

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 on the basis of management's estimated usage, shelf life of products, demand and market of the inventories .

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 appropriate share of fixed and variable production overheads incurred in bringing the inventories to their present location and condition), computed on weighted average basis.

3.6 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less which are repayable on demand, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

3.7 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to receive consideration.

Trade receivables are measured at contract price and subsequently measured at amortised cost net of any expected credit losses, if any. The Company provides for expected credit loss using simplified approach based on probability of default which are possible over the life time of the assets.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

3.8 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade payables are presented as current unless payment is not due within twelve months after the reporting period. They are recognized initially at the fair value and subsequently measured at amortized cost using the effective interest method. The amount due to suppliers are generally unsecured.

3.9 Financial instruments

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company initially recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

Classification and subsequent measurement

Financial assets

Financial assets carried at amortized cost

A debt instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the 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 (FVOCI)

A debt instrument is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the standalone statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method

In case, the Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (Other than Investments in equity instruments of Subsidiary) FVOCI. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.

Investment in subsidiaries

Investment in subsidiaries are carried at cost less impairment wherever applicable in the standalone 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.

Financial liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109, *Financial Instruments*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the statement of profit and loss.

Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set-off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

3.10 Revenue recognition

The Company is engaged in the business of procurement of cow milk and undertakes processing of milk and manufacture of various value-added products from milk. The Company derives revenues primarily from sale of milk and value-added products made from milk. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be measured reliably. 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 separate 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.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services ("transaction price").

Revenue is measured on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Discounts are recognised in accordance with the schemes implemented by the Company. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice. Contract with customers do not have significant financing component or non-cash consideration and Company does not have unbilled revenue or significant amount of pre-payment from customers.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

Processing charges is recognized as per the terms of the contract when the related services are rendered.

3.11 Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on Bank Deposits is accrued on time proportionate basis and at the applicable interest rate.

3.12 Government grant and incentives

Government incentives are recognized at fair value when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. The Government incentives are recognized in profit and loss on a systematic basis over the period in which the Company recognizes the related costs for which the incentives are intended to compensate as expense or immediately if the costs have already been incurred.

Eligible export incentives and Bio-Gas subsidy are recognized in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability

3.13 Share-based Payment

Employees of the Company receive remuneration in the form of share-based payment in consideration of the services rendered. Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognized as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer using Black Scholes model.

At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

3.14 Foreign currency translation

Initial Recognition

On initial recognition, transaction in foreign currencies entered into by the Company are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the statement of profit and loss except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets prior to transition to Ind AS, which are included in the cost of fixed assets.

3.15 Income tax

Income tax comprises current and deferred tax. It is recognized in standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in Other Comprehensive Income (OCI).

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. Current tax 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for computation of taxable profits. Deferred tax is also recognized in respect of carried forward tax losses and tax credits, when it meets the criteria for carry forward.

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, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deductible temporary difference can be utilized.

Deferred tax assets recognized or unrecognized are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year-on-year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The Government of India, on 20th September , 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company has decided to take benefit of the reduced tax rate as permitted in the said section.

Presentation of current and deferred tax

Current tax and deferred tax are recognized as income or an expense in the standalone statement of profit and loss, except when they relate to items that are recognized in Other comprehensive income, in which case, the current and deferred tax income/ expense are recognized in Other comprehensive income or equity respectively.

Uncertain Tax Positions

Management periodically evaluates the tax positions adopted in the income tax returns in respect of matters where the applicable tax laws and regulations are subject to interpretation and assesses whether it is probable that the relevant taxation authority will accept the uncertain tax treatment.

The Company reflects the effect of each uncertain tax treatment using either the expected value method, which represents the probability-weighted average of a range of possible outcomes, or the most likely amount method, being the single most likely outcome, depending on which method is expected to better predict the resolution of the uncertainty. The Company applies consistent judgements and estimates where an uncertain tax treatment affects both current and deferred tax.

3.16 Borrowings

Borrowings are initially recognized at net of transaction costs incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the standalone statement of profit and loss over the period of the borrowings using the effective interest method.

3.17 Borrowing Costs

Borrowing costs consist of interest, ancillary costs and other costs incurred in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Interest and other borrowing costs attributable to qualifying assets are capitalised up to the date such assets are ready for their intended use. Other interest and borrowing costs are charged to standalone statement of profit and loss.

A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

3.18 Provisions, contingent liabilities and contingent assets

The Company recognizes the provisions when a present obligation (legal or constructive) as a result of past event

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

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 contingent liability is disclosed 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 liability is recognised or disclosure is made.

Contingent assets are generally not recognized. Contingent assets are disclosed in the standalone financial statements when a inflow of economic benefit is probable. 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.

Any reimbursement that the Company can be virtually certain to collect from a third party covering the obligation is recognised as a separate asset. However this asset may not exceed the amount of the related provision.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

3.19 Employee Benefits

Short-Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, performance incentives, bonuses and ex-gratia etc are recognized as expenses in the period in which the employee renders the related service.

Post-Employment Benefits

Defined Contribution Plans

Contributions to defined contribution schemes (plans), such as, Provident Fund, Employees State Insurance, Employee pension schemes and labour welfare are recognized as expenses in the period in which the employee renders the related service. The Company has no further legal or constructive obligations beyond its monthly fixed contributions.

Defined Benefit Plans

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 Other comprehensive income. The effect of any plan amendments are recognized in net profit in the standalone 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.

The legal obligation for any benefit remains with the Company, even if plan assets for funding the defined plan have been set aside.

3.20 Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit / loss attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings shares to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

3.21 Statement of Cash Flows

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

3.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

3.23 Exceptional Items

Items of income or expense arising from ordinary activities that, by virtue of their size, nature, or incidence, require separate disclosure to enhance the understanding of the Company's financial performance are presented as exceptional items in the standalone statement of profit and loss.

3.24 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. The Company has applied following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 with effect from 1st April, 2025:

a. Ind AS 7 – *Statement of Cash Flows* and *Ind AS 107 – Financial Instruments: Disclosures*

The amendments to Ind AS 7 and Ind AS 107 require entities to disclose information about supplier finance arrangements, including their impact on liabilities, cash flows and exposure to liquidity risk. The Company has evaluated the impact of these amendments and has provided the required disclosures in the standalone financial statements, where applicable. These amendments have no other material impact on the standalone financial statements.

b. Ind AS 1 – *Presentation of Financial Statements*

The amendments to Ind AS 1 primarily relate to the classification of liabilities as current or non-current. Under the revised requirements, a liability is classified as non-current only if the Company has a substantive right, existing at the end of the reporting period, to defer its settlement for at least twelve months after the reporting date. The amendments also require entities to assess compliance with applicable covenants for classification purposes and provide enhanced related disclosures. The Company has assessed the impact of the amendments relating to covenant compliance and concluded that they do not affect the classification of its liabilities.

c. Ind AS 12 – International Tax Reform – Pillar Two Model Rules applicable immediately

The Company has reviewed the amendment and, based on its evaluation, determined that it does not have any material impact on the standalone financial statements.

d. Ind AS 21 – *The effects of Changes in Foreign Exchange Rates* – Lack of Exchangeability

The Company has reviewed the amendment and based on its evaluation, determined that it does not have any significant impact on the standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 4: Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Leasehold building improvements	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Year ended 31st March, 2025									
Gross carrying amount									
Opening gross carrying amount	18.19	4.16	84.85	536.17	5.88	7.15	3.30	6.11	665.81
Additions during the year	2.04	2.10	16.59	43.97	2.23	0.57	1.28	1.17	69.96
Disposals/Adjustments during the year	-	-	-	(0.14)	-	(0.12)	-	-	(0.26)
Closing gross carrying amount as at 31st March, 2025	**20.24**	**6.26**	**101.44**	**580.00**	**8.11**	**7.60**	**4.58**	**7.28**	**735.51**
Accumulated depreciation									
Opening accumulated depreciation	-	3.94	24.21	331.19	3.00	4.37	2.54	4.66	373.91
Depreciation charge during the year	-	0.19	3.18	42.11	0.59	0.65	0.31	0.70	47.74
Disposals/Adjustments during the year	-	-	-	(0.08)	-	(0.10)	-	-	(0.18)
Closing accumulated depreciation up to 31st March, 2025	**-**	**4.13**	**27.39**	**373.22**	**3.59**	**4.92**	**2.85**	**5.36**	**421.47**
Impairment									
Opening balance	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Impairment up to 31st March, 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount as at 31st March, 2025	**20.24**	**2.13**	**74.05**	**206.78**	**4.52**	**2.68**	**1.73**	**1.92**	**314.04**
Year ended 31st March, 2026									
Gross carrying amount									
Opening gross carrying amount	20.24	6.26	101.44	580.00	8.11	7.60	4.58	7.28	735.51
Additions during the year	7.92	0.18	3.47	53.56	0.22	4.63	0.29	1.30	71.57
Disposals/Adjustments during the year	(12.28)	-	(1.30)	(0.35)	(0.16)	-	(0.02)	(0.48)	(14.59)
Closing gross carrying amount as at 31st March, 2026	**15.88**	**6.44**	**103.61**	**633.21**	**8.17**	**12.23**	**4.85**	**8.10**	**792.49**
Accumulated depreciation									
Opening accumulated depreciation	-	4.13	27.39	373.22	3.59	4.92	2.85	5.36	421.47
Depreciation charge during the year	-	0.51	3.59	36.88	0.71	0.89	0.42	1.01	44.01
Disposals/Adjustments during the year	-	-	(0.28)	(0.29)	(0.10)	-	(0.02)	(0.46)	(1.15)
Closing accumulated depreciation up to 31st March, 2026	**-**	**4.64**	**30.70**	**409.81**	**4.19**	**5.81**	**3.25**	**5.91**	**464.33**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2026

(₹ in crores)

Particulars	Freehold land	Leasehold building improvements	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Impairment									
Opening balance	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Impairment up to 31st March, 2026	-	-	-	-	-	-	-	-	-
Net carrying amount as at 31st March, 2026	15.88	1.80	72.91	223.40	3.98	6.42	1.60	2.19	328.16

Refer note 35 for information on Assets pledged as security by the Company.

Note 4A: Capital Work-in-progress

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Reconciliation of carrying amount		
Opening balance	12.24	9.67
Additions during the year	83.09	9.72
Capitalised during the year	(68.88)	(7.14)
Closing balance	**26.45**	**12.24**

Ageing of Capital Work-in-progress as on 31st March, 2026

(₹ in crores)

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	26.30	0.15	-	-	26.45
Projects temporarily suspended	-	-	-	-	-
Total	**26.30**	**0.15**	**-**	**-**	**26.45**

Ageing of Capital Work-in-progress as on 31st March, 2025

(₹ in crores)

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	7.01	2.63	2.60	-	12.24
Projects temporarily suspended	-	-	-	-	-
Total	**7.01**	**2.63**	**2.60**	**-**	**12.24**

Notes :

1 For details of assets given as security against borrowings (Refer note 18 and 21).

2 Amount of contractual commitments for the acquisition of Property, plant and equipment (Refer note 41).

3 There are no Capital work-in-progress (CWIP) that are overdue or have exceeded their original plan/ budget.

4 Based on review done by management, there is no indication of impairment loss for Property, plant and equipment for the year requiring provision to be made.

5 No proceedings has been initiated or pending against the company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and the rules made there under.

6 The company has not revalued its Property, plant and equipment during the current year or previous years.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 5: Other intangible assets

(₹ in crores)

Particulars	Computer software	Patents / Trade Marks	Total
Year ended 31st March, 2025			
Gross carrying amount			
Opening gross carrying amount	8.30	1.35	9.65
Additions during the year	0.82	-	0.82
Closing gross carrying amount as at 31st March, 2025	**9.12**	**1.35**	**10.47**
Accumulated amortisation			
Opening accumulated amortisation	7.40	1.35	8.75
Amortisation charge for the year	0.48	-	0.48
Closing accumulated amortisation up to 31st March, 2025	**7.88**	**1.35**	**9.23**
Impairment			
Opening Balance	-	-	-
Impairment during the year	-	-	-
Impairment up to 31st March, 2025	-	-	-
Net carrying amount as at 31st March, 2025	**1.24**	**-**	**1.24**
Year ended 31st March, 2026			
Gross carrying amount			
Opening gross carrying amount	9.12	1.35	10.47
Additions during the year	7.10	-	7.10
Closing gross carrying amount as at 31st March, 2026	**16.22**	**1.35**	**17.57**
Accumulated amortisation			
Opening accumulated amortisation	7.88	1.35	9.23
Amortisation charge for the year	2.06	-	2.06
Closing accumulated amortisation up to 31st March, 2026	**9.94**	**1.35**	**11.29**
Impairment			
Opening Balance	-	-	-
Impairment during the year	-	-	-
Impairment up to 31st March, 2026	**-**	**-**	**-**
Net carrying amount as at 31st March, 2026	**6.28**	**-**	**6.28**

Note:

1. There are no contractual commitments for the acquisition of intangible assets at the reporting date.
2. 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.
3. There are no intangible asset under development as at the year end.
4. Based on review done by management, there is no indication of impairment loss for intangible asset for the year requiring provision to be made.
5. The Company has not revalued any intangible assets after initial recognition during the current and previous financial year.
6. There are no restrictions over the title of the Company's intangible assets, nor are any intangible assets pledged as security for liabilities.

Note 5A: Right-of-use assets

(₹ in crores)

Particulars	Land	Building	Plant & Machinery	Total
Year ended 31st March, 2025				
Gross carrying amount				
Opening gross carrying amount	-	14.42	24.19	38.61
Additions during the year	0.51	3.18	17.75	21.44
Disposals/Adjustments during the year	-	-	(18.12)	(18.12)
Closing gross carrying amount as at 31st March, 2025	**0.51**	**17.60**	**23.82**	**41.93**
Accumulated depreciation				
Opening accumulated depreciation	-	2.90	19.92	22.82

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	Land	Building	Plant & Machinery	Total
Depreciation charge during the year	0.02	3.97	7.47	11.46
Disposals/Adjustments during the year	-	-	(16.59)	(16.59)
Closing accumulated depreciation up to 31st March, 2025	**0.02**	**6.87**	**10.80**	**17.69**
Impairment				
Opening Balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2025	-	-	-	-
Net carrying amount as at 31st March, 2025	**0.49**	**10.73**	**13.02**	**24.24**
Year ended 31st March, 2026				
Gross carrying amount				
Opening gross carrying amount	0.51	17.60	23.82	41.93
Additions during the year	-	4.69	42.93	47.62
Disposals/Adjustments during the year	(0.51)	(1.37)	-	(1.88)
Closing gross carrying amount as at 31st March, 2026	**-**	**20.92**	**66.75**	**87.67**
Accumulated depreciation				
Opening accumulated depreciation	0.02	6.87	10.80	17.69
Depreciation charge during the year	0.01	4.73	9.59	14.33
Disposals/Adjustments during the year	(0.03)	(0.60)	-	(0.63)
Closing accumulated amortisation up to 31st March, 2026	**-**	**11.00**	**20.39**	**31.39**
Impairment				
Opening Balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2026	-	-	-	-
Net carrying amount as at 31st March, 2026	**-**	**9.92**	**46.36**	**56.28**

All lease agreements are duly executed in favour of the Company.

Refer note 39 for disclosure pursuant to Indian Accounting Standard (Ind AS) 116, *Leases.*

Note 6: Non-current Investments

(₹ in crores)

Particulars	Face value	As at 31st March, 2026		As at 31st March, 2025	
		Quantity (Nos)	Value	Quantity (Nos)	Value
Unquoted					
Investment in equity instruments (fully paid-up)					
Investment in wholly owned subsidiary carried (at amortised cost)					
Bhagyalaxmi Dairy Farms Private Limited	₹ 10	77,90,372	104.23	77,90,372	104.23
Investment in other entities (at amortised cost)					
TP Solapur Saurya Limited	₹ 10	46,24,704	4.62	46,24,704	4.62
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 Limited (under liquidation)	-	3,800	-	3,800	-
Sharad Sahakari Bank Limited	-	318	-	318	-
SVC Co-operative Bank Limited	₹ 10	100	0.00	100	0.00
Total			**108.85**		**108.85**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2026

(₹ in crores)

Particulars	As at 31st March, 2026 Value	As at 31st March, 2025 Value
Aggregate amount of quoted investments at cost	-	-
Aggregate amount of market value of quoted investments	-	-
Aggregate amount of unquoted investments at cost	108.85	108.85
Aggregate amount of impairment in the value of investments	-	-

Notes:

The investments are in compliance with Section 186(4) of the Companies Act, 2013.

Refer notes 36 and 37 for information about fair value measurement, credit risk and market risk of Investments.

The company has not traded or invested in Crypto currency or Virtual currency during the financial year 2025-26 and 2024-25.

During the previous year 2024-25, subsidiary company namely, Parag Foods Middle East FZE ("PFME FZE") was incorporated in Dubai. The operations are yet to commence as at the year end.

Note 7 : Loans

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
At amortised cost		
Loan considered good-unsecured	30.00	20.00
Loan credit- impaired	-	-
Less : Allowances for doubtful loans	-	-
Total	**30.00**	**20.00**

Refer note 37 for information about credit risk and market risk for loans.

Note :

a) Loans given to related parties are not repayable on demand, bearing interest at the rate of 10.00% p.a. and the respective agreements specify adequate terms and period of repayment. The said loan has been given for expansion and general corporate purposes.

b) The company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, key managerial personnels, related parties which are repayable on demand or where the agreement does not specify any terms or period of repayment.

c) Loans given to employees as per the company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

d) Disclosures pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013:

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Loans to Subsidiaries		
(i) Bhagyalaxmi Dairy Farms Private Limited		
Balance as at the beginning of the year	20.00	-
Loans given during the year	10.00	20.00
Loans repaid during the year	-	-
Balance as at the end of the year	30.00	20.00
Maximum amount outstanding at any time during the year	30.00	20.00

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(b) Loans to Others		
Balance as at the beginning of the year	-	2.91
Loans given during the year	-	-
Loans repaid during the year	-	(2.91)
Balance as at the end of the year	-	-
Maximum amount outstanding at any time during the year	-	2.91
Total	**30.00**	**20.00**

Note 8 : Non-Current - Other financial assets

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Term deposits with bank having original maturity of more than one year *	38.24	29.70
Other deposits		
Unsecured - considered good	10.54	10.44
Credit impaired	0.15	0.94
Less : Allowances for doubtful deposits	(0.15)	(0.94)
	10.54	**10.44**
Interest receivable	0.01	0.77
Total	**48.79**	**40.91**

*The company held Term deposits with bank having original maturity of more than one year of ₹ 38.24 crore as at 31st March, 2026 (31st March, 2025 : ₹ 29.70 crore). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Note 9: Other non-current assets

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital advances (unsecured)		
Considered good	30.83	29.42
Credit impaired	-	-
Less : Allowances for doubtful advances	-	-
	30.83	**29.42**
Prepaid expenses	0.33	0.06
Balances with government authorities	179.55	163.20
Total	**210.71**	**192.68**

Note 10 : Inventories

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw materials	12.64	12.48
Work-in-progress	406.35	283.74
Finished goods (Refer note below)	230.59	215.10
Packing materials, stores spares and consumables	63.51	52.02
Total	**713.09**	**563.34**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Notes :

The cost of inventories recognised as an expense is disclosed in note 28 together with purchases disclosed in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in Note 3(5) of material accounting policy.

Inventories given as hypothecation with banks against working capital limit, Refer note 18 and 21.

Refer note 35 for information on inventories pledged as security by the company.

The above includes goods in transit as below:

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Stock-in-transit - finished goods	5.34	2.99

Note 11: Trade receivables

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade receivables - considered good ,unsecured	230.78	249.40
Trade receivables- which have significant increase in credit risk (ageing)	7.38	15.89
Less: Allowance for expected credit loss	(7.38)	(15.89)
Total	**230.78**	**249.40**
The movement in allowance for expected credit loss is as follows:		
Balance as at beginning of the year	15.89	63.52
Reversal of expected credit losses during the year	(2.00)	(12.63)
Trade receivables written-off during the year	(6.52)	(35.01)
Balance as at the end of the year	**7.38**	**15.89**

Ageing as at 31st March, 2026 (outstanding for following period from the due date of payment)

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Years	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables considered good	160.24	34.74	17.53	9.93	5.36	2.98	230.78
ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	1.40	2.17	3.81	7.38
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**160.24**	**34.74**	**17.53**	**11.33**	**7.53**	**6.79**	**238.16**
Allowance for expected credit loss	-	-	-	1.40	2.17	3.81	7.38
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	**-**	**-**	**-**	**1.40**	**2.17**	**3.81**	**7.38**
TOTAL [(A)- (B)]	**160.24**	**34.74**	**17.53**	**9.93**	**5.36**	**2.98**	**230.78**
Percentage of expected credit loss followed for each bracket	0%	0%	0%	12%	29%	56%	

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Ageing as at 31st March, 2025 (outstanding for following period from the due date of payment)

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Years	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables considered good	230.04	8.54	8.71	1.56	0.55	0.00	249.40
ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	2.43	0.62	12.84	15.89
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**230.04**	**8.54**	**8.71**	**3.99**	**1.17**	**12.84**	**265.29**
Allowance for expected credit loss	-	-	-	2.43	0.62	12.84	15.89
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	**-**	**-**	**-**	**2.43**	**0.62**	**12.84**	**15.89**
TOTAL [(A)- (B)]	**230.04**	**8.54**	**8.71**	**1.56**	**0.55**	**0.00**	**249.40**
Percentage of expected credit loss followed for each bracket	0%	0%	0%	61%	53%	100%	

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 relating to trade receivables - [Refer notes 37 (A) and 37 (C)].

(d) Trade receivables are receivable due in the normal operating cycle and are disclosed net of Expected Credit Loss (ECL).

(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, Punjab National Bank and Karnataka Bank Limited.

(f) There are no unbilled dues during the year. Trade receivable are not interest bearing.

(g) Trade receivables are usually as per trade terms based on credit worthiness of customers as per the terms of contract with customers.

Note 12: Cash and cash equivalents

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with banks		
Current accounts	0.50	9.63
Cash on hand	1.90	2.01
Total	**2.40**	**11.64**

There are no encumbrance with regard to cash and cash equivalents as at the end of the reporting year and prior year.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 13: Bank balances other than cash and cash equivalents

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Short-term bank deposits (maturity more than 3 months but less than 12 months)	14.99	13.16
Total	**14.99**	**13.16**

Note : The company held cash and cash equivalents and other bank balances of ₹ 15.49 crore as at 31st March, 2026 (31st March, 2025: ₹ 22.79 crore). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and are considered to be good.

Note 14: Current tax assets

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current tax assets (net)	53.75	37.08
Total	**53.75**	**37.08**

Note 15: Other current assets

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances other than capital advances		
Unsecured considered good unless stated otherwise :		
Prepaid expenses	47.83	50.80
Advances to suppliers/others		
Considered goods	191.95	214.10
Considered doubtful	0.66	6.74
Less : Allowances for doubtful advances	(0.66)	(6.74)
	191.95	**214.10**
Advances to subsidiary	78.44	46.63
Advances to employees	0.38	0.44
Recoverable from statutory and government authorities		
Unsecured considered good unless stated otherwise :		
Balances with government authorities	37.71	26.52
Less: Allowances for doubtful recovery	-	(2.22)
	37.71	**24.30**
Total	**356.30**	**336.27**

Note:

The company has not given any advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 16: Equity Share Capital

(a) Details of Equity Share Capital

(₹ in crores)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	Amount	Number of shares	Amount
Authorised shares				
Equity shares of face value of ₹10 each	20,00,00,000	200.00	20,00,00,000	200.00
Issued, subscribed and fully paid-up shares				
Equity shares of face value of ₹10 each	12,50,08,539	125.01	11,92,04,826	119.20

(b) Reconciliation of the number of Equity shares and Equity share capital amount outstanding at the beginning and at the end of the year

(₹ in crores)

Particulars	Number of shares	Face value (₹)	Amount
As at 31st March, 2024	11,91,99,826	10.00	119.20
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,93,70,841	10.00	119.37
Add: Shares issued on exercise of employee stock option	5,000	10.00	0.01
Less: Amount recoverable / adjustable from ESOP Trust (face value of 1,71,015 shares allotted to the Trust)	1,71,015	10.00	0.17
As at 31st March, 2025	**11,92,04,826**	**10.00**	**119.20**
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,93,05,841	10.00	119.31
Add: Shares issued on exercise of conversion of FCCB	57,33,713	10.00	5.73
Add: Shares issued on exercise of employee stock option	70,000	10.00	0.07
Less: Amount recoverable / adjustable from ESOP Trust (face value of 1,01,015 shares allotted to the Trust)	1,01,015	10.00	0.10
As at 31st March, 2026	**12,50,08,539**	**10.00**	**125.01**

(c) Terms and rights attached to equity shares

The company has only one class of shares referred to as equity shares having par value of ₹ 10 per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution of the remaining assets will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors in their meeting on 7th May, 2026 recommended a final dividend of ₹ 1.10 (One rupee ten paise only) per equity share for the financial year ended 31st March, 2026. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹ 13.75 crores. The payout on account of dividend is not recognised as a liability as at 31st March, 2026.

(d) Details of shareholders holding more than 5% shares in the company *

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	% holding of total shares	Number of shares	% holding of total shares
Equity shares of face value of ₹ 10 each fully paid held by -				
Mr. Devendra Prakash Shah	2,02,06,400	16.16%	2,02,06,400	16.95%
Mr. Pritam Prakash Shah	91,59,888	7.33%	91,59,888	7.68%
Mrs. Netra Pritam Shah	1,38,67,027	11.09%	1,38,67,027	11.63%
Sixth Sense Indian Opportunities III	57,33,658	4.59%	81,67,245	6.85%

*as per the secretarial records maintained by the company, including its register of members as at the year end.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(e) Details of shareholdings by the Promoter's of the company

Promoter Name	As at 31st March, 2026		As at 31st March, 2025		% change in the year
	Number of shares	% holding of total shares	Number of shares	% holding of total shares	
Mr. Devendra Prakash Shah	2,02,06,400	16.16%	2,02,06,400	16.95%	0.79%
Mr. Pritam Prakash Shah	91,59,888	7.33%	91,59,888	7.68%	0.36%
Late Prakash Babu Lal Shah	100	0.00%	100	0.00%	0.00%
Mrs. Netra Pritam Shah	1,38,67,027	11.09%	1,38,67,027	11.63%	0.54%
Mrs. Priti Devendra Shah	22,22,820	1.78%	22,22,820	1.86%	0.09%
Mr. Poojan Devendra Shah	32,95,000	2.64%	32,95,000	2.76%	0.13%
Ms. Akshali Devendra Shah	20,00,000	1.60%	20,00,000	1.68%	0.08%
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%
Late Rajani Prakash Shah	100	0.00%	100	0.00%	0.00%
Late Parag Prakash Shah	1,00,000	0.08%	1,00,000	0.08%	0.00%
Ms. Nayan Sameer Shah	24	0.00%	-	0.00%	0.00%
Total Promoters shares outstanding	5,08,61,459	40.69%	5,08,61,435	42.67%	
Total shares outstanding	12,50,08,539		11,92,04,826		

(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 101,015 nos (31st March, 2025 171,015 nos) of equity shares issued to ESOP Trust.

(g) The company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date.

(h) Board of Directors of the Company, in its meeting held on 3rd April, 2025 approved issuance of 90,00,000 Convertible Share Warrants ('Warrants'), each are convertible into equal number of fully paid-up Equity Shares of the Company, on preferential basis to the Promoter and Non-Promoter Group of the Company, up to an amount of ₹ 161.19 Crore, at issue price of ₹ 179.10 per warrant. Shareholders of the Company at their Extra-ordinary General Meeting held on 3rd May, 2025, approved the issuance of Warrants on preferential basis. On 23rd May, 2025, the Company allotted 90,00,000 warrants on receipt of ₹ 40.30 Crore towards minimum 25% of the total consideration of the Warrants. Equity shares to be issued upon exercise of Warrants, shall rank pari-passu to existing equity shares of the Company.

(i) Pursuant to the conversion of 10,680 Foreign Currency Convertible Bonds (FCCB) of USD 1,000 each held by IFC, the Company allotted 57,33,713 equity shares of face value ₹ 10 each at a conversion price of ₹ 135 per share (including premium of ₹ 125 per share) on 29th September, 2025.

(j) Shares reserved for issue under Employee stock purchase plan

Information relating to Employee stock purchase plan, including details of options issued, exercised and lapsed during the financial year and options outstanding as at the end of the reporting year are set out in note 45.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 17: Other Equity

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Securities premium	848.44	776.77
General reserve	5.93	5.93
Retained earnings	267.28	128.34
Other comprehensive income		
- Remeasurements of defined benefit plans	(1.76)	(1.46)
Shares options outstanding account	5.58	0.34
Money received against share warrants	40.30	-
Equity components of Foreign currency convertible bonds	-	10.68
Total	**1,165.77**	**920.60**

Note: For movements in reserves - Refer statement of changes in equity.

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Securities premium (A)		
Opening balance	776.77	776.77
Movement during the year (Refer note 16 (i))	71.67	-
Closing balance	**848.44**	**776.77**
General reserves (B)		
Opening balance	5.93	5.93
Movement during the year	-	-
Closing balance	**5.93**	**5.93**
Share options outstanding account (C)		
Opening balance	0.34	-
Share based payment expenses	5.24	0.34
Movement during the year	-	-
Closing balance	**5.58**	**0.34**
Retained earnings (D)		
Opening balance	128.34	10.77
Add: Profit after tax for the year	150.88	123.54
Less: Dividend paid	(11.94)	(5.97)
Closing balance	**267.28**	**128.34**
Share warrants (E)		
Opening balance	-	-
Share warrants issued during the year (Refer note 16 (h))	40.30	-
Closing balance	**40.30**	**-**
Foreign currency convertible bonds (FCCB) (F)		
Opening balance	10.68	10.68
Movement during the year (Refer note 16(i))	(10.68)	-
Closing balance	**-**	**10.68**
Other comprehensive income (G)		
Opening balance	(1.46)	0.38
Movement during the year (net of tax)	(0.30)	(1.83)
Closing balance	**(1.76)**	**(1.46)**
Closing balance	**1,165.77**	**920.60**

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").

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(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. General reserve is a free reserve available to the company.

(c) Share options outstanding account

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

(d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to the shareholders. Retained earnings is a free reserve available to the company.

(e) Share warrants

Share warrants are instruments that give their holder the right to buy the stock of the issuing company at a predetermined price within a stipulated time frame. They are similar to options, the holder of a warrant has the right (but not the obligation) to purchase the shares of a company at a specified price in the future.

(f) Foreign Currency Convertible Bonds :

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹ 135 per share which is subject to adjustments in accordance with the terms agreed between the parties and applicable law. FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription. During the current year entire FCCB has been converted into equity share.

(g) Other comprehensive income:

Remeasurement of Net Defined Benefit Plans:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Note 18: Non-Current - Borrowings

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Measured at amortised cost		
Unsecured		
Foreign Currency Convertible Bonds (Refer note 18(a))	-	81.22
Secured		
Non convertible debenture (NCD) (Refer note 18(b))	81.64	104.71
Term loans from bank (Refer note 18(c))	63.20	42.93
Vehicle loan (Refer note 18(d))	4.22	0.30
Less: Current maturity related to above	(37.97)	(32.13)
Total	**111.09**	**197.04**

Notes:

(a) Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on 28th May, 2021, the Company had issued 10,680 Foreign Currency Convertible Bonds (FCCB) having face value of USD 1,000 each through private placement of unlisted, unsecured, unrated to International Finance Corporation (IFC).

The conversion of the FCCBs was at the option of IFC. The conversion price for the equity shares to be issued upon conversion of the FCCBs was ₹ 135 per share, as per IFC's letter dated 03rd January, 2024 for IFC's in-principle approval for amendment to certain provisions of the FCCB Subscription Agreement dated 8th May, 2021 executed between IFC and the Company.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

FCCBs were to be redeemed if not fully converted 5 years plus one day from the date of subscription. Coupon offered, if any on FCCB's, are repayable in 10 semi annual instalments starting from 15th June, 2021.

No interest is 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. In consideration of the aforesaid no interest provision has been made for the year ended 31st March, 2026.

IFC exercised its option for the conversion of FCCB into equity as on 29th September, 2025. Accordingly IFC was allotted 55,33,713 equity shares as per the terms of the agreement.

(b) Non-Convertible Debentures (NCDs) are payable as per redemption schedule w.e.f. 15th June, 2023 to 15th June, 2029 in thirteen half yearly instalments of ₹ 11.54 crore each presently carrying interest @ 9.8% p.a.(previous year 10.8% p.a.). The NCDs are secured by First pari passu charge by hypothecation of present and future movable and mortgage of immovable properties situated at Samudrapalle Village, Panchayathi Palamaner Mandal, Andhra Pradesh and Awasari Phata Manchar, Taluka Ambegaon, Maharashtra together with all the erections and constructions of every description which are standing, erected or attached to the properties. The first pari-passu charge on the movable fixed assets excludes specific charge created in favour of other lenders as per the mutual agreement with IFC.

(c) Term loan of ₹ 63.20 crore (31st March, 2025 : ₹ 42.93 crore) carry interest that ranges between @ 9.4%-10.3% p.a. The loans are repayable over 60 to 72 months monthly instalments maturing in January 2030 and December 2031. The loan is secured by exclusive charge on fixed assets acquired from proceeds of such loan and personal guarantee of Mr. Devendra Shah and Mr. Pritam Shah. One of the loan is also secured by exclusive Mortgage Charge on Land & Building Convention Centre, Padma Nidhi 149/1 , Samudra Palli (Vi), Pengaragunta (P.O.), Palamaner (Mdl), Chittoor (Dist), A.P.-517408 and subservient charge on Factory land and building at Samudrapalle revenue Village and Palamner Mandal, Andhra Pradesh and CTS No. 461, House No. 329, Ward No. 4 Manchar, Ambegaon, Pune, and hypothecation of Entire (Present & Future) Plant & Machinery and other fixed assets owned by the company.

(d) Vehicle loan of ₹ 4.22 crore (31st March, 2025 : ₹ 0.30 crore) from HDFC Bank Ltd, Toyota Financial Services Ltd, Karantaka Bank Ltd and Mercedes Benz Financial Services carries interest ranging from 8.0%-9.8% p.a. The loans are repayable in 60 monthly. The loans are secured by hypothecation of specific assets financed (vehicle).

(e) Average interest rate for the non-current borrowings is 7.99% p.a. - 9.78% p.a.

(f) Refer Note 37 for information about liquidity risk, interest risk and market risk of borrowings.

(g) All charges have been registered with the Registrar of Companies (RoC). The company does not have charges which is yet to be registered with the Registrar of Companies (RoC) beyond the statutory period.

(h) The company has used the borrowings for the specific purpose for which it was availed.

(i) The company has not been declared wilfull defaulter by any bank or financial institution or government or any government authority.

Note 19: Lease Liabilities - Non Current

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease liability (Refer note 39)	39.34	17.02
Total	**39.34**	**17.02**

Note 20: Provisions

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Non-current:		
Provision for employee benefits		
For gratuity (Refer note 40)	7.43	4.26
Total	**7.43**	**4.26**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 21: Borrowings - current

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Loans repayable on demand		
From banks- cash credit	336.32	325.58
Others		
Current maturities of long-term debt (Refer note 18)	37.97	32.13
Total	**374.29**	**357.71**

Notes:

Cash credit/Working capital demand loan (WCDL) from banks are secured by first charge Hypothecation of stock, book debts along with all current assets of the company and second pari-passu charge on fixed assets by way of hypothecation of present and future movable and mortgage of immovable properties situated at Samudrapalle Village, Panchayathi Palamaner Mandal, Andhra Pradesh and Awasari Phata Manchar, Taluka Ambegaon, Maharashtra together with all the erections and constructions of every description which are standing, erected or attached to the properties along with furniture and fixture situated at respective properties of the company together with personal guarantee of directors Mr. Devendra Shah and Mr. Pritam Shah. The cash credit/WCDL is repayable on demand and carries interest ranging between @ 9.60% p.a. to 10.30% p.a.

Note 22: Lease Liabilities - Current

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease liability (refer note 39)	13.63	7.01
Total	**13.63**	**7.01**

Note 23: Trade payables

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(A) Total outstanding dues of micro enterprises and small enterprises	40.67	11.16
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.*	69.11	111.69
- Of which suppliers have received payment from finance provider	126.20	100.26
Total	**235.98**	**223.11**

Some of our suppliers elect to factor some of their receivables from the Company with financial institutions. In such cases, the Company provides suppliers and/or banks with visibility of invoices approved for payment, which helps them receive cash from the bank before the invoice due date, if they choose to do so. Payment dates and terms for the Company do not vary based on whether the supplier chooses to factor their receivable.

(₹ in crores)

Particulars	As at 31st March, 2026
The carrying amounts of the financial liabilities that are part of a supplier finance arrangement	
Presented within trade payable as "Acceptances"	126.20
For which suppliers have already received payment from finance providers	126.20
Range of payment due dates	
Trade payables that are part of a supplier finance arrangement	7 - 90 days
Trade payables that are not part of a supplier finance arrangement	7 - 90 days

* Amount due to related parties (Refer note 42)

Refer note 37 for information about liquidity and market risk of trade payable.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Notes :

(a) Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2026

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	19.98	20.69	-	-	-	40.67
Undisputed dues - Others	117.77	67.74	5.20	0.75	3.85	195.31
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**137.75**	**88.43**	**5.20**	**0.75**	**3.85**	**235.98**

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2025

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	11.10	0.06	-	-	11.16
Undisputed dues - Others	150.87	54.40	1.37	4.79	0.52	211.95
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**150.87**	**65.50**	**1.43**	**4.79**	**0.52**	**223.11**

(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 2nd October, 2006, certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the Management, the following disclosures are made for the amounts due to Micro and Small enterprises:

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	40.67	11.16
Interest	1.09	0.81
Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the delay in making payment (which has been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act, 2006.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	4.90	3.81
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	4.90	3.81

(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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(d) Bill discounting under LC/ Non LC are secured by hypothecation of bills covering inland/ export sale.

(e) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 37.

Note 24: Other financial liabilities - Current

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Interest accrued but not due on borrowings	9.37	9.06
Deposits - others	18.81	15.07
Employee related liabilities	9.40	10.12
Trade payable for capital goods other than payable to micro enterprises and small enterprises	16.43	15.01
Directors remuneration payable	1.21	0.44
Total	**55.22**	**49.68**

Note : There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as 31st March, 2026 (31st March, 2025 : Nil)

(a) Ageing for trade payables for capital goods from the due date of payment for each of the category as at 31st March, 2026

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues MSME	-	-	-	-	-	-
Undisputed dues - Others	4.93	5.19	1.04	3.33	1.94	16.43
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**4.93**	**5.19**	**1.04**	**3.33**	**1.94**	**16.43**

(b) Ageing for trade payables for capital goods from the due date of payment for each of the category as at 31st March, 2025

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	-	-	-	-	-
Undisputed dues - Others	8.74	1.59	1.55	0.12	3.01	15.01
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**8.74**	**1.59**	**1.55**	**0.12**	**3.01**	**15.01**

Note 25: Other current liabilities

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances from customers*	40.21	18.85
Statutory dues payables	8.60	7.71
Total	**48.81**	**26.56**

(*Does not include financing component.)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 26 : Revenue from operations

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Sale of products	3,686.28	3,262.05
Other operating revenue	55.75	105.35
Total	**3,742.03**	**3,367.40**

Disaggregation of revenue from contract with customers

The company has determined the categories of disaggregation of revenue considering the types/ nature of contracts. The company derives revenue mainly from the transfer of control over the goods to the customers.

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Revenue from contract with customers:		
Sale of products	3,686.28	3,262.05
Sale of traded goods	-	-
Sale of services	-	-
	3,686.28	**3,262.05**
B. Other operating revenues :		
Processing charges	7.80	8.57
Export benefits and incentives	0.52	0.05
Package Scheme of Incentive	37.15	76.60
Production Linked Incentive	8.63	11.61
Sale of Scrap	1.65	1.32
Milk subsidy	-	7.20
	55.75	**105.35**
Total	**3,742.03**	**3,367.40**
(i) Timing of revenue recognition		
Goods transferred at a point in time	3,687.93	3,263.37
Goods transferred over the time	-	-
Total revenue from contract with customers	3,687.93	3,263.37
Add: Processing charges	7.80	8.57
Export benefits and incentives	0.52	0.05
Package Scheme of Incentives	37.15	76.60
Production Linked Incentives	8.63	11.61
Milk subsidy	-	7.20
Total revenue from operations	**3,742.03**	**3,367.40**
(ii) Disaggregation of revenue based on product		
Milk	358.19	342.12
Milk products	3,207.04	2,807.01
Other consumer products	121.05	112.92
Total revenue from contract with customers	3,686.28	3,262.05
(iii) Revenue by location of customers		
India	3,606.86	3,175.89
Outside India	81.07	87.48
Total revenue from contract with customers	3,687.93	3,263.37
Add: Processing charges	7.80	8.57
Export benefits and incentives	0.52	0.05
Package Scheme of Incentive	37.15	76.60
Production Linked Incentive	8.63	11.61
Milk subsidy	-	7.20
Total revenue from operations	**3,742.03**	**3,367.40**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Reconciliation of revenue recognised in statement of profit and loss with contracted price		
Revenue as per contracted price	3,904.54	3,469.19
Less: Discount/ Rebates	(216.61)	(205.82)
Total revenue from contract with customers	**3,687.93**	**3,263.37**
Add: Processing charges	7.80	8.57
Export benefits and incentives	0.52	0.05
Package Scheme of Incentive	37.15	76.60
Production Linked Incentive	8.63	11.61
Milk subsidy	-	7.20
Total revenue from operations	**3,742.03**	**3,367.40**

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 ₹ 37.15 crore (31st March, 2025: ₹ 76.60 crore), Production Link Incentives Scheme, 2021 amounting to ₹ 8.63 crore (31st March, 2024: ₹ 11.61 crore) as Other operating income in statement of profit and loss.

(b) The company has also accounted for Milk subsidy amounting to ₹ Nil (31st March, 2025: ₹ 7.20 crore) as Other operating income in statement of profit and loss, based on government circular.

(c) Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers. As at year end there are no unsatisfied performance obligation.

(d) i) The company does not have any contract asset as at 31st March, 2026; (31st March, 2025 : Nil)

ii) Contract liability as at 31st March, 2026 amounting to ₹ 11.64 crore ; (31st March, 2025: ₹ 4.89 crore)

iii) The contract liabilities are primarily related to advance from customers for sale of milk and milk products, for which revenue is recorded at a point in time. The amount of ₹ 1.92 crore and ₹ 2.25 crore included in contract liabilities as at 31st March, 2026 and 31st March, 2025 have been recognised as revenue in the year ended 31st March, 2026 and 31st March, 2025.

iv) 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) Amortised in statement of profit and loss 31st March, 2026 : Nil (Previous year : Nil)

ii) Recognised as contract assets at 31st March, 2026 : Nil (Previous year : Nil)

Note 27: Other income

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
a) On financial assets measured at amortised costs		
Interest on bank deposits	2.49	2.01
Interest on loan to subsidiary	2.83	0.33
Other interest income	0.25	0.87
b) Other non-operating income		
Gain on termination of lease	0.21	0.26
Exchange fluctuation gain (net)	15.06	-
Provision written back (net)	3.64	9.85
Gain on sale of Property, plant and equipment (net)	3.45	-
Sundry balances written back (net)	3.53	-
Reversal of provision on expected credit loss (net)	2.00	12.63
Miscellaneous income	1.97	0.65
Total	**35.43**	**26.60**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 28 : Cost of materials consumed

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Raw materials consumed		
Inventory at the beginning of the year	12.48	4.19
Add: Purchases during the year	2,712.12	2,291.26
	2,724.60	**2,295.45**
Less: Inventory at the close of the year	(12.64)	(12.48)
Cost of Raw materials consumed	**2,711.96**	**2,282.97**
Packing materials consumed		
Inventory at the beginning of the year	52.02	38.75
Add: Purchases during the year	230.81	152.75
	282.83	**191.50**
Less: Inventory at the close of the year	(63.51)	(52.02)
Cost of Packing materials consumed	**219.32**	**139.48**
Total	**2,931.28**	**2,422.45**

Note 29: Changes in inventories of finished goods and work-in-progress

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Inventory at the beginning of the year		
Finished goods	215.10	206.43
Work-in-progress	283.74	348.89
	498.84	**555.32**
Less: Inventory at the close of the year		
Finished goods	230.59	215.10
Work-in-progress	406.35	283.74
	636.94	**498.84**
Changes in inventories:		
Finished goods	(15.49)	(8.67)
Work-in-progress	(122.61)	65.16
Net increase/ (decrease)	**(138.10)**	**56.48**

Note 30: Employee benefits expense

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Salaries and wages*	126.95	114.53
Contributions to provident and other funds (Refer note 40)	9.26	3.61
Gratuity (Refer note 40)	0.91	1.20
Share based payment expenses (Refer note 45)	5.24	0.34
Staff welfare expenses	7.63	7.83
Director Remuneration (Refer note 42)	15.00	5.62
Total	**164.99**	**133.13**

* Includes salary paid to relative of key managerial personnel (Refer note 42)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 31: Finance costs

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest Expenses on		
Borrowings	51.87	49.21
Lease liability (Refer note 39)	4.86	4.12
Other borrowing cost	15.55	31.74
Total	**72.28**	**85.07**

Note 32: Depreciation and amortisation expense

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Depreciation of Property, plant and equipment (Refer note 4)	44.01	47.74
Amortisation of Intangible assets (Refer note 5)	2.06	0.48
Depreciation of Right-of-use assets (Leased assets) (Refer note 5A)	14.33	11.46
Total	**60.40**	**59.68**

Note 33: Other expenses

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Freight, forwarding and handling charges	109.98	110.79
Consumption of stores, spare and consumables	24.24	19.40
Power and fuel	135.03	130.47
Rent and storage charges	11.51	11.22
Rates and taxes	14.22	11.69
Repairs and maintenance	11.13	16.92
Processing and other manufacturing charges	18.93	19.77
Exchange fluctuation (net)	-	2.05
Travelling, conveyance and vehicle expenses	20.87	9.37
Legal and professional fees	16.99	14.33
Commission to Directors' and sitting fees (Refer note 42)	5.78	4.92
Advertisement and sales promotion	129.15	133.11
Provision for doubtful debts (net)	0.40	0.97
Bad debts written off	6.52	35.01
Reversal of impairment allowance on trade receivable	(6.52)	(35.01)
Auditors remuneration (Refer note 33.1)	0.63	0.45
Expenditure on corporate social responsibility (Refer note 33.2)	1.66	2.17
Miscellaneous expenses (Refer note 33.3)	21.91	14.70
Total	**522.43**	**502.35**

33.1 Auditors remuneration (excluding goods and service tax)

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(i) As Auditor :		
Audit fees	0.50	0.39
(ii) In Other Capacity:		
For others services	0.02	0.02
For expenses re-imbursed	0.11	0.04
Total	**0.63**	**0.45**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

33.2 Corporate Social responsibility (CSR)

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(a) Gross amount required to be spent by the Company during the year based on 2% of average net profits	1.65	-
(b) Amount spent during the year on:		
i) Construction/acquisition of assets held by the Company	-	-
ii) On purposes other than above		
- payment to human welfare association	1.66	-
(c) Unspent amount at the end of the year	-	-
Amount recognised as an expenses in statement of profit and loss	1.66	2.17

33.3 : Miscellaneous expense includes printing and stationery, communication, insurance and other expenses.

33.4 : There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 34: Disclosure pursuant to Indian Accounting Standard (Ind AS) 12, *Income Taxes*

(a) The major components of recognised deferred tax assets/ (liabilities) arising on account of timing differences are as follows:

For the year ended 31st March, 2026

(₹ in crores)

Particulars	Net balance 1st April , 2025	Recognised in Statement of profit or loss	Recognised in Other Comprehensive income	Net balance 31st March, 2026
Deferred tax liabilities				
Property, plant and equipments and Intangible assets	11.49	3.14	-	14.63
Right-of-use asset	6.10	8.06	-	14.16
Sub-Total	**17.59**	**11.20**	**-**	**28.79**
Deferred tax assets				
Expected credit loss on financial assets	6.50	(3.40)	-	3.10
Expenses allowed on payment basis	2.14	(0.14)	0.10	2.10
Lease liabilities	6.05	7.28	-	13.33
Sub-Total	**14.69**	**3.74**	**0.10**	**18.53**
Net Deferred tax assets/(liabilities)	**(2.90)**	**(7.46)**	**0.10**	**(10.26)**

For the year ended 31st March, 2025

(₹ in crores)

Particulars	Net balance 1st April , 2024	Recognised in Statement of profit or loss	Recognised in Other Comprehensive income	Net balance 31st March, 2025
Deferred tax liabilities				
Property, plant and equipments and Intangible assets	14.37	(2.88)	-	11.49
Right-of-use asset	3.98	2.12	-	6.10
Sub-Total	**18.35**	**(0.76)**	**-**	**17.59**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	Net balance 1st April , 2024	Recognised in Statement of profit or loss	Recognised in Other Comprehensive income	Net balance 31st March, 2025
Deferred tax assets				
Expected credit loss on financial assets	20.95	(14.45)	-	6.50
Expenses allowed on payment basis	1.03	0.49	0.62	2.14
Lease liabilities	4.15	1.90	-	6.05
Sub-Total	**26.13**	**(12.06)**	**0.62**	**14.69**
Net Deferred tax assets/(liabilities)	**7.78**	**(11.30)**	**0.62**	**(2.90)**

Note:

The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

(b) The major components of income tax expense for the for the year ended 31st March, 2026 and 31st March, 2025 are:

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
i) Tax expense recognised in the statement of profit and loss comprises :		
Current tax charge	0.45	-
Total current income tax	**0.45**	**-**
Deferred tax charge		
Relating to origination and reversal of temporary differences	7.46	11.30
Income tax expense reported in the statement of profit or loss	**7.46**	**11.30**
ii) Tax expense recognised in Other Comprehensive Income:		
Current income tax related to items recognised in OCI during the year :		
Current income tax on re-measurement loss on defined benefit plans	(0.10)	(0.62)
Income tax related to items recognised in OCI during the year :	**(0.10)**	**(0.62)**
iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :		
Accounting Profit before tax	158.79	134.84
Applicable tax rate	25.168%	25.168%
Computed Tax Expense	**39.96**	**33.94**
Expenses not allowed for tax purpose	(14.22)	(29.06)
Others	(17.83)	6.42
Income tax charged to Statement of Profit and Loss	**7.91**	**11.30**
Effective tax rate	4.98%	8.38%

(c) The Company has not created deferred tax asset on the following tax losses :

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Unabsorbed brought forward business loss	0.74	85.43
Unabsorbed depreciation	28.59	31.80
Total	**29.33**	**117.23**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2026

Note 35: Assets pledged as security

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Current Assets		
Financial assets		
Trade receivables	230.78	249.40
Cash and cash equivalents	2.40	11.64
Bank balances other than Cash and Cash equivalents	14.99	13.16
	248.17	**274.20**
Non-financial assets		
Inventories	713.09	563.34
Other Current Assets	356.30	336.27
Total Current assets pledged as security	**1,069.39**	**899.61**
Non Current assets		
Non-financial assets		
Land	7.96	7.96
Building	72.91	73.02
Furniture, fittings and equipments	3.98	4.46
Plant and equipments	223.40	206.75
Others	3.79	3.65
Vehicles	6.42	2.68
Total non-current assets pledged as security	**318.45**	**298.51**
Total assets pledged as security	**1,636.02**	**1,472.32**

Note 36: Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, *Financial Instruments - Disclosures*

A. Accounting classification and fair values

The under mentioned table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used as as follows:

Level 1: Includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

i) The carrying values of current financial liabilities and current financial assets are taken as their fair value because of their short term nature.

ii) The carrying values of non-current financial liabilities and non-current financial assets are taken as their fair value based on their discounted cash flows.

iii) The Company has used quoted market price for determining fair value of investments in equity instruments and mutual funds.

iv) There have been no transfers between level 1, level 2 and level 3 for year ended 31st March, 2026 and 31st March, 2025 respectively.

(₹ in crores)

As at 31st March 2026	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Investments - Subsidiary	-	104.23	104.23	-	-	-	-
Investments - Others	-	4.62	4.62	-	-	-	-
Loan & Other financial assets (non current)	-	78.79	78.79	-	-	-	-
Trade receivable	-	230.78	230.78	-	-	-	-
Cash and cash equivalents	-	2.40	2.40	-	-	-	-
Other bank balances	-	14.99	14.99	-	-	-	-
Total	-	435.81	435.81	-	-	-	-
Financial liabilities							
Borrowings - non-current	-	111.09	111.09	-	-	-	-
Borrowings - current	-	374.29	374.29	-	-	-	-
Trade payables	-	235.99	235.99	-	-	-	-
Lease liability	-	52.97	52.97	-	-	-	-
Other financial liabilities	-	55.22	55.22	-	-	-	-
Total	-	829.56	829.56	-	-	-	-

(₹ in crores)

As at 31st March 2025	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Investments - Subsidiary	-	104.23	104.23	-	-	-	-
Investments - Others	-	4.62	4.62	-	-	-	-
Loan & Other financial assets (non current)	-	60.91	60.91	-	-	-	-
Trade receivable	-	249.40	249.40	-	-	-	-
Cash and cash equivalents	-	11.64	11.64	-	-	-	-
Other bank balances	-	13.16	13.16	-	-	-	-
Total	**-**	**443.96**	**443.96**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings - non-current	-	197.04	197.04	-	-	-	-
Borrowings - current	-	357.71	357.71	-	-	-	-
Trade payables	-	223.11	223.11	-	-	-	-
Lease liability	-	24.03	24.03	-	-	-	-
Other financial liabilities	-	49.68	49.68	-	-	-	-
Total	**-**	**851.57**	**851.57**	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 37: Financial Risk Management

Risk management framework

The Company is exposed to various financial risks, including credit risk, market risk and liquidity risk. The Board of Directors ("Board"), through the Risk Management Committee, oversees the management of these risks.

The Company has established a comprehensive Risk Management Policy, formulated by the Risk Management Committee and approved by the Board, which sets out the Company's approach to identifying and managing uncertainties that may impact the achievement of its stated and implicit objectives. The Policy defines the roles and responsibilities of the management, establishes the risk management structure and provides a framework for the identification, assessment, monitoring and mitigation of risks.

The risk management framework is designed to identify and evaluate financial risks and implement appropriate measures to mitigate their potential adverse impact on the Company's financial performance. Based on the information available and circumstances prevailing during the period, the Board has taken appropriate measures to identify and mitigate the risks arising to the Company.

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 FVTPL investments.

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

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 worthy 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 and Other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has 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. The Company has a comprehensive review mechanism of overdue trade receivables at various levels to ensure proper attention and focus on realisation. 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:

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Outstanding for a period not exceeding six months	194.97	238.58
Outstanding for a period exceeding six months	43.19	26.72
Gross trade receivables	**238.16**	**265.30**
Less: Allowance for expected credit loss	(7.38)	(15.89)
Net trade receivables	**230.78**	**249.41**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

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

(₹ in crores)

Loss allowance on trade receivables	Amount
Balance as at 1st April, 2024	63.52
Reversal of allowance for expected credit loss	(12.63)
Trade receivables written-off during the year	(35.01)
Balance as at 31st March, 2025	**15.89**
Reversal of allowance for expected credit loss	(2.00)
Trade receivables written-off during the year	(6.52)
Balance as at 31st March, 2026	**7.38**

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. The credit worthiness of banks and financial institutions is evaluated by the management on an ongoing basis and is considered good.

(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 under both normal and stressed conditions without measuring unacceptable losses of risk of losses to the Company's reputation. 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 alternative sources of short term funding with existing lenders that will be available for disbursement should there be any need.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(₹ in crores)

Contractual maturities of financial liabilities as at 31st March, 2026	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)	120.46	9.37	38.04	73.05	120.46
Borrowings - current	374.29	374.29	-	-	374.29
Trade payables	235.99	235.99	-	-	235.99
Lease liability	52.97	18.54	17.76	27.84	64.14
Other financial liabilities	45.86	45.86	-	-	45.86
Total non-derivative liabilities	**829.57**	**684.05**	**55.80**	**100.89**	**840.74**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Contractual maturities of financial liabilities as at 31st March, 2025	Carrying value	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives financial liabilities					
Borrowings - non-current (including interest accrued but not due)	206.11	41.19	23.08	141.84	206.11
Borrowings - current	357.71	357.71	-	-	357.71
Trade payables	223.11	223.11	-	-	223.11
Lease liability	24.03	9.44	7.50	14.24	31.18
Other financial liabilities	40.62	40.62	-	-	40.62
Total non-derivative liabilities	**851.57**	**672.07**	**30.58**	**156.08**	**858.74**

(C) Market risk

Market risk comprises of three type of risk namely currency risk, interest risk and other price 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 financial 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 liabilities. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. The objective of market risk management is to avoid excessive exposure in foreign currency.

(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, EURO, GBP and CHF. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. The functional currency of the Company is Indian Rupee (₹).

The Company has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on 31st March, 2026

(a) The Company's unhedged exposure to foreign currency risk at the end of the reporting year is as follows:

(₹ in crores)

Sr no	Particulars	Currency	As at 31st March, 2026		As at 31st March, 2025	
			INR	Foreign currency	INR	Foreign currency
A	**Financial assets**					
(i)	Trade receivables	USD	6.15	0.07	5.86	0.07
(ii)	Others	EURO	-	-	-	-
B	**Financial liabilities**					
(i)	FCCB	USD	-	-	81.22	10.68
(ii)	Trade payables	GBP	-	-	(0.02)	(0.00)
		USD	0.33	0.00	-	-
		EURO	1.34	0.01	(0.06)	(0.01)
		CHF	(0.02)	(0.00)	(0.00)	(0.00)

(b) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at 31st March, 2026 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:

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
31st March, 2026				
Effect in INR				
1 % movement				
USD	0.06	(0.06)	0.06	(0.06)
EUR	(0.01)	0.01	(0.01)	0.01
GBP	0.00	0.00	0.00	0.00
CHF	0.00	(0.00)	0.00	0.00
31st March, 2025				
Effect in INR				
1 % movement				
USD	0.75	(0.75)	0.75	(0.75)
EUR	(0.00)	0.00	(0.00)	0.00
GBP	(0.00)	0.00	(0.00)	0.00
CHF	(0.00)	0.00	(0.00)	0.00

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The company's borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, *Financial Instruments: Disclosures,* since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows :

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Fixed rate instruments-Financial assets		
Bank deposits	53.23	42.85
Total	**53.23**	**42.85**

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Variable rate instruments		
Financial liabilities		
Non-current borrowings	111.09	197.04
Current maturities of non-current borrowings	37.97	32.13
Current borrowings	336.32	325.58
Total	**485.38**	**554.75**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(b) Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below has been determined based on the exposure to interest rates risk at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crores)

Particulars	Impact on profit /(loss) - increase / (decrease) in profit	
	31st March, 2026	31st March, 2025
Interest rates – increase by 100 basis points *	(4.85)	(5.55)
Interest rates – decrease by 100 basis points *	4.85	5.55

(* Holding all other variables constant)

Note 38: Capital Management

(a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern and maximise the shareholder value i.e returns to shareholders.

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 and other bank balances. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

(b) Dividend

The Board of Directors of the Company has recommended dividend of ₹ 1.10 (One rupee ten paise only) per equity share of the face value of ₹ 10 each for the financial year ended 31st March, 2026 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.

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Borrowings		
Long-term and Short-term borrowings	447.41	522.62
Current maturities of Long-term borrowings	37.97	32.13
Less: Cash and cash equivalents and other bank balances	(55.64)	(54.50)
Adjusted net debt	429.74	500.25
Total Equity	1,290.78	1,039.80
Adjusted net debt to equity ratio	**0.33**	**0.48**

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 39 : Disclosure pursuant to Indian Accounting Standard (Ind AS) 116, *Leases*

Lease contracts entered by the Company pertains to Office spaces, Land and Plant & Equipment to conduct its business in ordinary course. 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. The Company has several lease contracts that include extension and termination options. Significant judgement is exercised by the management in determining whether these extension and termination options are reasonable certain to be exercised.

A. Right-of-Use assets

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Opening balance	41.93	38.61
Additions during the year	47.62	21.44
Disposal / derecognized during the year	(1.88)	(18.12)
Gross Carrying Value (I)	**87.67**	**41.93**

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Opening balance	17.69	22.82
Additions during the year	14.33	11.46
Disposal / derecognized during the year	(0.63)	(16.59)
Closing Accumulated depreciation (II)	**31.39**	**17.69**

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Net Carrying Value (I-II)	**56.28**	**24.24**

B. Lease Liabilities

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Opening balance	24.03	16.49
Additions/ (Deletions)	40.59	16.62
Accreditation of interest	4.86	4.12
Payments	16.51	13.20
Closing balance	**52.97**	**24.03**

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Current maturities of lease liabilities	13.63	7.01
Non - current lease liabilities	39.34	17.02
Total	**52.97**	**24.03**

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 effective interest rate for lease liabilities ranges between 10 % p.a to 12 % p.a.

C. Maturity analysis of lease liability:

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Less than one year	13.63	7.01
One to two years	14.35	5.81
More than two years upto five years	24.99	10.63
More than five years	-	0.58
Total	**52.97**	**24.03**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

D. Amounts to be recognised in statement of profit and loss for the year ended 31st March, 2026

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Depreciation expense of Right-of-use assets	14.33	11.46
Interest expense on lease liabilities	4.86	4.12
Total	**19.19**	**15.58**

Total cash out flow for leases including interest amounting to ₹ 16.51 crores during the year (previous year: ₹ 13.2 crores).

E. Lease rent

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Lease payments recognised for short term leases and low value lease in statement of profit and loss during the year	11.51	11.22
Total	**11.51**	**11.22**

These leases are short-term and of low value in nature. The Company has applied the recognition exemptions provided under Ind AS 116 and has elected not to recognise right-of-use assets and lease liabilities for such leases.

The Company has not revalued its right-of-use assets during the current or previous year.

Note 40: Disclosure pursuant to Indian Accounting Standard (Ind AS) 19, *Employee Benefits*

A. Defined contribution plan

The Company has recognised an amount of ₹ 9.26 crores (31st March, 2025: ₹ 3.61 crores) as expenses under the defined contribution plans in the statement of profit and loss as below:

(₹ in crores)

Benefit/Contribution to	31st March, 2026	31st March, 2025
Provident Fund	8.73	2.98
Labour Welfare Fund	0.02	-
National Pension Scheme	0.19	0.25
Employees State Insurance	0.31	0.37
Total	**9.26**	**3.61**

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 upon completion of five years of continuous service.

The defined benefit gratuity plan is administered by a trust that is legally separate from the Company. The gratuity plan is a funded plan, managed by Life Insurance Company ("LIC") and the Company's makes annual contributions to Group Gratuity cum Life Assurance Scheme managed by LIC.

The most recent actuarial valuation of the defined benefit obligation was carried out as at 31st March, 2026. 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 investment risk, interest rate risk, longevity risk, actuarial risk and regulatory risk.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Investment Risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Interest Rate Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age , the longevity risk is not very material.
Actuarial Risk	Salary Increase Assumption - Actual Salary increase that are higher than the assumed salary escalation , will result in increase to the Obligation at a rate that is higher than expected.
	Attrition/Withdrawal Assumption- If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions
Regulatory Risk	Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not 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.

(₹ in crores)

	Particulars	31st March, 2026	31st March, 2025
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current service cost	1.74	1.08
	Past service cost	4.27	-
	Interest (income) on plan assets	(0.54)	(0.41)
	Interest cost on defined benefit obligation	0.83	0.53
	Total Expenses	**6.30**	**1.20**
II	**Expenses recognised in OCI**		
	Actuarial (gain) / loss due to demographic assumption changes in DBO	-	0.00
	Actuarial (gain) / loss due to financial assumption changes in DBO	(0.26)	0.19
	Actuarial (gain)/ loss due to experience on DBO	0.75	2.29
	Return on Plan Assets (greater) / less than Discount rate	(0.09)	(0.03)
	Total Expenses	**0.40**	**2.45**
III	**Net defined asset /(liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation	(18.80)	(12.15)
	Fair value of plan assets	11.37	7.89
	Net defined benefit asset /(liability)	**(7.43)**	**(4.26)**
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	12.15	8.41
	Current service cost	1.74	1.08
	Past service cost	4.27	-
	Interest cost	0.83	0.53
	Actuarial (gain)/ loss	0.49	2.48
	Benefits paid	(0.68)	(0.35)
	Present value of defined benefit obligation at the end of the year	**18.80**	**12.15**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
V Movements in fair value of the plan assets		
Opening fair value of plan assets	7.89	5.80
Expected returns on plan assets	0.54	0.41
Actuarial gain/ (loss) on plan assets	0.09	0.03
Contribution from employer	3.53	2.00
Benefits paid	(0.68)	(0.35)
Closing fair value of the plan asset	**11.37**	**7.89**
VI Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	4.45	3.03
Between 1 to 5 years	9.86	6.24
Between 6 to 10 years	7.15	4.32
Over 10 years	5.34	3.43
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	(18.06)	(11.67)
(i) -100 basis points decrease in discount rate	19.61	12.68
(iii) +100 basis points increase in rate of salary increase	(19.60)	11.67
(iv) -100 basis points decrease in rate of salary increase	18.04	(12.66)
2 Sensitivity analysis method		
Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes. The Mortality and Attrition does not have a significant impact on the Liability, hence are not considered a significant actuarial assumption for the purpose of Sensitivity analysis. The assumptions used in preparing the sensitivity analysis is Discount rate at +1% and – 1% Salary assumption at +1 % and -1% . The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year.		
VIII Actuarial Assumptions:		
Discount rate	7.14%	6.81%
Expected rate of salary increase	6.00% p.a	6.00% p.a
Withdrawal rate	15.00%	15.00%
Retirement Age	58 years	58 years
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
IX The weighted-average asset allocations at the year end were as follows:		
Equities	0.00%	0.00%
Bonds	0.00%	0.00%
Gilts	0.00%	0.00%
Pooled assets with an insurance company	100.00%	100.00%
Other	0.00%	0.00%
Total	**100.00%**	**100.00%**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

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 securities for the estimated term of the obligations.

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 ₹ 4.45 crores to the defined benefit plans (gratuity - funded) during the next financial year.

e) The average expected future working life at the end of the reporting period is 5.95 years.

Note 41: Contingent liabilities and Commitments

(₹ in crores)

	Particulars	31st March, 2026	31st March, 2025
(A)	**Contingent liabilities**		
	Claims against the Company not acknowledged as debts -		
a)	Sales tax matter under litigation in respect of Company for pending forms and lower allowance on account of Central Quantum Benefit, against which appeal has been filed.	3.24	3.24
b)	Goods and Service Tax matter under litigation.	5.23	5.60
c)	Income tax matter under litigation.	83.94	54.22
d)	Corporate guarantee issued in favour of lender towards vendor financing program	20.00	-
(B)	**Commitments**		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	24.69	3.69
b)	Contractual commitment for Leases not yet commenced (including short-term and low value leases)	-	-

Notes:

i. The Company is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.

ii. The amounts shown above represent the best possible estimates of pending litigations/disputes arrived at on the basis of available information. The above do not include potential risks/demands, if any, for ongoing issues where no claims have been made against the Company.

iii. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

Note 42: 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 company	Bhagyalaxmi Dairy Farms Private Limited
Subsidiary company	Parag Foods Middle East FZE (w.e.f. 7th January, 2025)
B. Other related parties	
(i) Key Management Personnel (KMP)	Mr. Devendra Shah – Chairman
	Mr. Pritam Shah – Managing Director & Interim CFO (w.e.f. from 28th April,2023)
	Ms. Akshali Shah - Executive Director
	Mr. Virendra Varma - Company Secretary & Compliance Officer

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Description of relationship	Name of the related party
(ii) Directors	Mr. Dnyanesh Vishnu Darshane - Independent Director
	Mr. Nikhil Vora - Non Executive Director
	Mr. Milind Patil - Independent Director (w.e.f. from 22nd May,2025)
	Mr. Amitabha Mukhopadhyay - Independent Director (w.e.f. from 22nd May,2025)
	Ms. Namrata Garud - Independent Director (w.e.f. from 2nd May,2025)
	Mr. Nitin R. Dhavalikar - Independent Director (upto 28th July,2025)
	Ms. Radhika Dudhat - Independent Director (upto 25th May,2025)
	Mr. Narendra Ambwani - Independent Director (upto 25th May,2025)
(iii) Relative of Key Management Personnel	Mrs. Priti Shah - Spouse of Mr. Devendra Shah (Chairman)
	Mr. Poojan Shah - Son of Mr. Devendra Shah (Chairman)
	Mrs. Netra Shah - Spouse of Mr. Pritam Shah (Managing Director & Interim CFO)
	Mr. Stavan Shah - Son of Mr. Pritam Shah (Managing Director & Interim CFO)
(iv) Entity in which KMP can exercise significant influence	Bhagyalaxmi Dairy Farms Private Limited
	Parag Foods Middle East FZE (w.e.f. 7th January, 2025)
	Awasari Infracon Private Limited (w.e.f. 25th February, 2025)
	SHAJ Livewell Nutrient LLP (w.e.f. 13th March, 2025)
	Vitalia Tradeglob Private Limited

(ii) Details of transactions between the Company and related parties for the year ended 31st March, 2026:

(a) Transaction during the year :

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Purchase of Goods		
Bhagyalaxmi Dairy Farms Private Limited	71.96	62.47
Sale of Goods		
Bhagyalaxmi Dairy Farms Private Limited	28.74	6.15
Remuneration to Key Management Personnel and their relatives *		
Devendra Shah	5.00	2.40
Pritam Shah	5.00	2.40
Akshali Shah	5.00	0.86
Poojan Shah	0.28	0.20
Stavan Shah	0.28	0.20
Virendra Varma (CS)	0.31	0.28
Rent Payment		
Bhagyalaxmi Dairy Farms Private Limited	-	0.44
Devendra Shah	0.79	0.75
Pritam Shah	0.47	0.43
Priti Shah	0.02	0.02
Netra Shah	0.02	0.02
Purchase of capital assets		
Bhagyalaxmi Dairy Farms Private Limited	0.19	-
Akshali Shah	0.98	-
Cross charge of services		
Bhagyalaxmi Dairy Farms Private Limited	0.33	-
Rent Receipt		
Bhagyalaxmi Dairy Farms Private Limited	0.06	0.38
Reimbursement of expenses KMP		
Devendra Shah	0.09	0.18
Pritam Shah	0.18	0.26
Akshali Shah	-	0.23
Commission to Directors		
Devendra Shah	1.47	1.12

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Pritam Shah	1.47	1.12
Akshali Shah	1.47	1.12
Nitin R. Dhavalikar	0.06	0.29
Radhika Dudhat	0.01	0.30
Narendra Ambwani	0.01	0.27
Dnyanesh Vishnu Darshane	0.29	0.27
Milind Patil	0.15	-
Namrata Garud	0.15	-
Amitabha Mukhopadhyay	0.19	-
Director sitting fees		
Nitin R. Dhavalikar	0.07	0.12
Radhika Dudhat	0.05	0.09
Narendra Ambwani	0.02	0.11
Dnyanesh Vishnu Darshane	0.16	0.11
Milind Anil Patil	0.06	-
Namrata Garud	0.07	-
Amitabha Mukhopadhyay	0.09	-
Advances granted		
Bhagyalaxmi Dairy Farms Private Limited	31.81	27.47
Loans granted		
Bhagyalaxmi Dairy Farms Private Limited	10.00	20.00
Interest Income received during the year		
Bhagyalaxmi Dairy Farms Private Limited	2.83	0.33

(* 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, as they are determined on an actuarial basis for the Company as a whole. Further, the remuneration to key managerial personnel does not include employee stock compensation expense.)

(b) Details of balances outstanding as at 31st March, 2026 :

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Amount Payable to		
Devendra Shah	0.52	0.35
Pritam Shah	0.39	0.53
Akshali Shah	0.30	0.31
Nitin R. Dhavalikar	0.00	0.12
Radhika Dudhat	0.00	0.13
Narendra Ambwani	0.00	0.11
Milind Anil Patil	0.06	-
Namrata Garud	0.05	-
Amitabha Mukhopadhyay	0.07	-
Dnyanesh Vishnu Darshane	0.09	0.11
Netra Shah	0.03	-
Priti Shah	0.03	-
Virendra Varma (CS)	0.02	0.02
Interest accrued on advances		
Bhagyalaxmi Dairy Farms Private Limited	-	0.33
Loans receivable		
Bhagyalaxmi Dairy Farms Private Limited	30.00	20.00
Advances receivable		
Bhagyalaxmi Dairy Farms Private Limited	78.44	46.63
Investments		
Bhagyalaxmi Dairy Farms Private Limited	104.23	104.23
*Personal guarantee issued by Devendra Shah and Pritam Shah	1,016.34	496.96

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Terms and conditions of transactions with related parties:

(a) The Company enters into related party transactions in the ordinary course of business, following processes and commercial terms similar to those applicable to unrelated parties.

Purchases from and sales to related parties are undertaken on an arm's length basis and on terms comparable to those applicable to unrelated parties. Year-end outstanding balances are unsecured, interest-free and settled in cash.

(b) The recoverability of related party receivables is assessed annually based on the financial position of the respective parties, the prevailing market and regulatory environment, and the Company's accounting policies.

(c) The Company has not made any allowances for bad or doubtful debts in respect of related party trade receivables.

Note 43: Disclosure pursuant to Indian Accounting Standard (Ind AS) 33, *Earnings per Share*

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Basic earnings per share		
Numerator for Earnings per share - Net profit after tax (₹ in crores) (A)	150.88	123.54
Denominator for Earnings per share - Weighted average number of equity shares outstanding during the year (Nos) (B)	12,21,14,273	11,91,99,977
Basic EPS (Amount in ₹) (A/B) (One Equity share of ₹ 10 each)	**12.36**	**10.36**
Diluted earnings per share		
Numerator for Earnings per share - Net profit after tax (₹ in crores)	150.88	123.54
Amount of interest debited to statement of profit and loss for convertible bonds (net of tax) (₹ in crores)	-	-
Net profit after tax adjusted for the effect of dilution (₹ in crores) (C)	150.88	123.54
Weighted average number of equity shares outstanding during the year (Nos)	12,21,14,273	11,91,99,977
Weighted average number of potential equity shares on account of FCCBs (Nos)	28,43,293	57,23,678
Weighted average number of potential equity shares on account of ESOPs (Nos)	7,01,542	-
Weighted average number of potential equity shares on account of share warrants (Nos)	21,52,505	-
Denominator for Earnings per share - Weighted average number of Equity shares adjusted for the effect of dilution (Nos) (D)	12,78,11,614	12,49,23,655
Diluted EPS (Amount in ₹) (C/D) (One Equity share of ₹ 10 each)	**11.80**	**9.89**
Face Value per share	₹ 10.00	₹ 10.00

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares held as treasury shares.

Diluted: Diluted earnings per share amount are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be used on conversion of all the dilutive potential equity shares into equity shares. Employee share options are dilutive potential equity shares for the Company.

Anti Dilutive: The Company has considered the impact of all potential equity shares in the computation of diluted earnings per share. Accordingly, there are no potential equity shares that have been excluded from the calculation of diluted earnings per share on account of being anti-dilutive for the year presented.

Note 44: Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, *Operating Segments*

In accordance with IND AS 108 "*Operating Segments*", segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosures on segment information is given in these financial statements.

Geographical information in relation to revenue and non-current assets are as below:

(a) Revenue from operations

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Within India	3,606.86	3,175.89
Outside India	81.07	87.48
Total	**3,687.93**	**3,263.37**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

(b) Non-current operating assets :

All non –current assets other than financial instruments, deferred tax assets of the company are located in India.

(c) The Company does not have revenues from transactions with a single external customer exceeding to 10 per cent or more of the total revenues.

Note 45: Disclosure pursuant to Indian Accounting Standard (Ind AS) 102, *Share-Based Payments*

The Board of Directors constituted the equity settled Employee Stock Option Plan ("ESOP 2022") vide its resolutions dated 13th 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 30th September, 2022 further ESOP 2022 was amended in the Annual General meeting dated 27th September 2023 by increasing the pool size from erstwhile 5,00,000 Stock Options to 25,00,000 Stock Options. Additionally as per ESOS 2015 approved by member's resolution dated 3rd April, 2015 which was further amended vide special resolution dated 16th May, 2015 and which was ratified post IPO by the shareholders in the 26th AGM held on 19th September, 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.

According to ESOP 2022, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The fair valuation of the option have been computed as per the black Scholes pricing model.

Particulars	Vest-1	Vest-2	Vest-3
Date of grant		07th February, 2024	
Number of Options granted	5,000	23,000	22,000
Method of settlement	Equity shares	Equity shares	Equity shares
Vesting Period from grant date	1 Years	2 Years	3 Years
Vesting %	10.00%	46.00%	44.00%
Exercise Period from the Vesting	7 Years	6 Years	5 Years
Minimum life	1 Years	2 Years	3 Years
Maximum life	8 Years	8 Years	8 Years
Expected Life	4.5 Years	5 Years	5.5 Years
Exercise Price	₹ 10	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 197.35	₹ 197.27	₹ 197.18
Weighted Average Fair Value of option as on the grant date		₹ 197.24	

Particulars	07th February, 2024
Dividend yield (%)	0.33
Historical volatility	47.87% - 50.76%
Risk-free interest rate (%)	6.98 % - 7.00%
Weighted average share price	207.70
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 years - 5.5 years
Weighted average remaining contractual life of options	5.86 Years

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Particulars	Vest-1	Vest-2
Date of grant	23rd July, 2024	
Number of Options granted	20,000	30,000
Method of settlement	Equity shares	Equity shares
Vesting Period from grant date	2 Years	3 Years
Vesting %	40.00%	60.00%
Exercise Period from the Vesting	5 Years	5 Years
Minimum life	2 Years	3 Years
Maximum life	7 Years	8 Years
Expected Life	4.5 Years	5.5 Years
Exercise Price	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 194.07	₹ 193.90
Weighted Average Fair Value of option as on the grant date	₹ 193.97	

Particulars	23rd July, 2024
Dividend yield (%)	0.33
Historical volatility	48.77% - 49.89%
Risk-free interest rate (%)	6.82 % - 6.83 %
Weighted average share price	204.41
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 years - 5.5 years
Weighted average remaining contractual life of options	6.31 Years

Particulars (Schedule-1)	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
Date of grant			11th November, 2024		
Number of Options granted	15,000	22,500	30,000	37,500	45,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting Period from grant date	2 Years	3 Years	4 Years	5 Years	6 Years
Vesting %	10.00%	15.00%	20.00%	25.00%	30.00%
Exercise Period from the Vesting	5 Years	5 Years	5 Years	5 Years	5 Years
Minimum life	2 Years	3 Years	4 Years	5 Years	6 Years
Maximum life	7 Years	8 Years	9 Years	10 Years	11 Years
Expected Life	4.5 Years	5.5 Years	6.5 Years	7.5 Years	8.5 Years
Exercise Price	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 202.99	₹ 202.86	₹ 202.70	₹ 202.50	₹ 202.29
Weighted Average Fair Value of option as on the grant date			₹ 202.58		

Particulars (Schedule-1)	11th November, 2024
Dividend yield (%)	0.30
Historical volatility	45.38 % - 49.29 %
Risk-free interest rate (%)	6.66 % - 6.74 %
Weighted average share price	213.25
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 years - 8.5 years
Weighted average remaining contractual life of options	8.12 Years

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Particulars (Schedule-2)	Vest-1	Vest-2
Date of grant	11th November, 2024	
Number of Options granted	60,000	60,000
Method of settlement	Equity shares	Equity shares
Vesting Period from grant date	1 Years	2 Years
Vesting %	50.00%	50.00%
Exercise Period from the Vesting	5 Years	5 Years
Minimum life	1 Years	2 Years
Maximum life	6 Years	7 Years
Expected Life	3.5 Years	4.5 Years
Exercise Price	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 203.10	₹ 202.99
Weighted Average Fair Value of option as on the grant date	₹ 203.04	

Particulars (Schedule-2)	11th November, 2024
Dividend yield (%)	0.30
Historical volatility	44.64 % - 45.57 %
Risk-free interest rate (%)	6.63 % - 6.66 %
Weighted average share price	213.25
Exercise price (₹)	10.00
Expected life of options granted in years	3.5 years - 4.5 years
Weighted average remaining contractual life of options	5.62 Years

Particulars	Vest-1	Vest-2	Vest-3
Date of grant		11th November, 2025	
Number of Options granted	50,000	60,000	70,000
Method of settlement	Equity shares	Equity shares	Equity shares
Vesting Period from grant date	1 Years	2 Years	3 Years
Vesting %	27.78%	33.33%	38.89%
Exercise Period from the Vesting	7 Years	6 Years	5 Years
Minimum life	1 Years	2 Years	3 Years
Maximum life	8 Years	8 Years	8 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	₹ 301.58	₹ 301.41	₹ 301.23
Weighted Average Fair Value of option as on the grant date		₹ 301.39	

Particulars	11th November, 2025
Dividend yield (%)	0.28
Historical volatility	44.94% - 45.64%
Risk-free interest rate (%)	6.12% - 6.24%
Weighted average share price	313.05
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 Years - 5.5 Years
Weighted average remaining contractual life of options	7.62 Years

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Particulars (Schedule-1)	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
Date of grant			**21st July, 2025**		
Number of Options granted	5,000	5,000	5,000	5,000	5,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting Period from grant date	1 Years	2 Years	3 Years	4 Years	5 Years
Vesting %	20.00%	20.00%	20.00%	20.00%	20.00%
Exercise Period from the Vesting	9 Years	8 Years	7 Years	6 Years	5 Years
Minimum life	1 Years	2 Years	3 Years	4 Years	5 Years
Maximum life	10 Years	10 Years	10 Years	10 Years	10 Years
Expected Life	5.5 Years	6 Years	6.5 Years	7 Years	7.5 Years
Exercise Price	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 246.01	₹ 246.07	₹ 246.12	₹ 246.17	₹ 246.21
Weighted Average Fair Value of option as on the grant date			₹ 246.12		

Particulars (Schedule-1)	21st July, 2025
Dividend yield (%)	0.14
Historical volatility	47.17% - 49.33%
Risk-free interest rate (%)	6.04% - 6.23%
Weighted average share price	255.17
Exercise price (₹)	10.00
Expected life of options granted in years	5.5 Years - 7.5 Years
Weighted average remaining contractual life of options	9.31 Years

Particulars (Schedule-2)	21st July, 2025
Date of grant	21-07-2025
Number of Options granted	1,00,000
Method of settlement	Equity shares
Vesting Period from grant date	1 Years
Vesting %	100.00%
Exercise Period from the Vesting	5 Years
Minimum life	1 Years
Maximum life	6 Years
Expected Life	3.5 Years
Exercise Price	₹ 10
Fair value using Black Scholes model on grant date	₹ 245.74
Weighted Average Fair Value of option as on the grant date	₹ 245.74

Particulars (Schedule-2)	21st July, 2025
Dividend yield (%)	0.14
Historical volatility	45.70%
Risk-free interest rate (%)	5.82%
Weighted average share price	255.17
Exercise price (₹)	₹ 10
Expected life of options granted in years	3.5 Years
Weighted average remaining contractual life of options	5.31 Years

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Particulars (Schedule-3)	Vest-1	Vest-2
Date of grant	21st July, 2025	
Number of Options granted	50,000	50,000
Method of settlement	Equity shares	Equity shares
Vesting Period from grant date	2 Years	3 Years
Vesting %	50.00%	50.00%
Exercise Period from the Vesting	6 Years	5 Years
Minimum life	2 Years	3 Years
Maximum life	8 Years	8 Years
Expected Life	5 Years	5.5 Years
Exercise Price	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 245.94	₹ 246.01
Weighted Average Fair Value of option as on the grant date	₹ 245.98	

Particulars (Schedule-3)	21st July, 2025
Dividend yield (%)	0.14
Historical volatility	45.78% - 48.46%
Risk-free interest rate (%)	5.98% - 6.04%
Weighted average share price	255.17
Exercise price (₹)	₹ 10
Expected life of options granted in years	5 Years - 5.5 Years
Weighted average remaining contractual life of options	7.31 Years

The details of activity under ESOP 2022 are summarized below:

(₹ in crores)

Particulars	31st March, 2026		31st March, 2025	
	No. of options	WAEP (Rs)	No. of options	WAEP (Rs)
Outstanding at the beginning of the year	**4,40,000**	**10**	-	-
Granted during the year	4,05,000	10	4,55,000	10
Forfeited during the year	95,000	10	10,000	10
Exercised during the year	70,000	10	5,000	10
Expired during the year	-	-	-	-
Outstanding at the end of the year:	**6,80,000**	**10**	**4,40,000**	**10**
Exercisable at the end of the year	5,000	10	-	-

The vesting pattern of the ESOP 2022 is provided as below:

Particulars	31st March, 2026	31st March, 2025
	No. of options	No. of options
Financial year 2025-26	5,000	83,000
Financial year 2026-27	2,60,000	1,24,500
Financial year 2027-28	1,67,500	63,750
Financial year 2028-29	1,55,000	45,000
Financial year 2029-30	42,500	56,250
Financial year 2030-31	50,000	67,500

Weighted average share price for options exercised during the year ended 31st March, 2026 is ₹ 248.37 (31st March, 2025: ₹ 188.87).

For the options outstanding as at 31st March, 2026, the exercise price is ₹ 10.00 (31st March, 2025: ₹ 10.00).

Stock price: - The underlying price has been considered as on the grant date being based on the closing price on the National Stock Exchange {NSE).

Exercise price: - The price at which ESOP can be exercised. The exercise price is ₹ 10.00.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Exercise Period: - This is the period for which the Company expects the options to be alive. the exercise period will be 5 years from the date of last vesting of Stock Options.

Vesting condition: - Time based vesting based on fulfilment of time mentioned in the scheme.

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 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 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 dividend track record therefore, we have considered the dividend yield based on the past 5 years dividends.

Historical Volatility: - 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 of time. 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 tends 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.

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 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 an option, after the lapse of which no right shall accrue to the employee), we have calculated expected life of options as an average of Minimum life and Maximum life.

Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Employee option plans	5.24	0.34

Note 46: Disclosure pursuant to Indian Accounting Standard (Ind AS) 27, *Separate Financial Statements*

Investments in the subsidiary company is accounted at cost:

Name of the subsidiary company	Principal place of business	Proportion of direct ownership as on 31st March, 2026	Proportion of direct ownership as on 31st March, 2025
Bhagyalaxmi Dairy Farms Private Limited	India	100%	100%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 47 : Additional Regulatory Information (to the extent applicable and reportable)

(a) Borrowings secured against current assets

The Company has borrowings from banks on the basis of security of current assets, and the monthly statements filed by the Company with banks for financial year 2025-26 and 2024-25 are in agreement with the books of account.

(b) Details of capital work-in-progress (Refer Note 4A)

(c) Analytical ratios

Particulars	Numerator	Denominator	FY 2025-26	FY 2024-25	Percentage Variance from previous year
Current Ratio (in times)	Current assets	Current liabilities	1.88	2.07	-9%
Debt - Equity Ratio (in times)	Total Debt	Total shareholders' equity	0.43	0.57	-24%
Debt Service coverage ratio (in times)	Earnings for Debts Service	Finance Costs (excluding cost pertaining to lease liabilities)+ Repayment of Principal + Lease Repayment	0.71	0.68	4%
Return on equity (in %)	Profit after tax	Average shareholder's equity	12.95%	12.58%	3%
Inventory Turnover Ratio (in times) I	Revenue from operations	Average inventory	4.38	5.80	-25%
Trade receivables turnover ratio (in times)	Cost of Goods Sold	Average trade receivables	15.59	13.90	12%
Trade payables turnover ratio (in times)	Purchases	Average trade payables	12.82	11.44	12%
Net capital turnover ratio (in times)	Revenue from operations	Working capital (Current Assets - Current Liabilities)	5.82	4.74	23%
Net profit ratio (in %)	Profit after tax	Revenue from Operations	4.03%	3.67%	10%
Return on capital employed (in %)	Profit before interest and tax	Average Capital employed	12.61%	13.49%	-7%
Return on investment (in %)	Earning before interest, tax and exceptional items	Average total assets	11.50%	11.91%	3%

Explanation for variance exceeding 25% :

I Inventory Turnover Ratio has declined due to increase in inventory and cost of material consumed.

Note 48:

a) No provision for current tax other than long-term capital gains tax of ₹ 0.45 crores is required (including interest) under the provisions of the Income tax Act, 1961 as per Computation of Income (COI) in view of allowances, deductions and unabsorbed brought forward loss and Depreciation.

b) The Income Tax Department conducted a search under Section 132 of the Income Tax Act, 1961, on the Company and its associated persons in the month of November 2021. The Company had only received a Panchanama dated 27th November, 2021. Subsequently, in the Assessment Order for A.Y 2021-22 dated 31st December, 2022, a reference has been made to the search and seizure and appeal has been preferred against this order.

Note 49:

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2026

Note 50: Audit Trail

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to the accounting software. Further, no instance of audit trail feature being tampered with was noted in respect of the software where audit trail has been enabled & the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Note 51: Exceptional Item

Exceptional Item of ₹ 5.39 crores represents statutory impact of new Labour Codes. On 21st November, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the Guidance Note provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as 'Statutory impact of new Labour Codes' under Exceptional items. Upon notification of the relevant Rules under the Labour Codes, the Company will recognise any additional impact, if applicable.

Note 52: Events after the reporting period

a) The Board of Directors in their meeting on 7th May, 2026 recommended a final dividend of ₹ 1.10 (One rupee ten paise only) per equity share for the financial year ended 31st March, 2026. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹ 13.75 crore. It is not recognised as a liability as at 31st March, 2026.

b) No significant subsequent events have been observed which may require adjustments to the financial statements.

Note 53:

Figures of the previous year have been regrouped wherever necessary. The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000.

Note 54:

Note No.1 to 54 form integral part of the Standalone Balance Sheet and Standalone Statement of Profit and Loss.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

Place: Mumbai
Date: 07th May, 2026

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: 07th May, 2026

Independent Auditor's Report

To the Members of Parag Milk Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Parag Milk Foods Limited** (the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2026, and the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2026, of its consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1.	**Valuation of trade receivables** (Refer Note 11 to the consolidated financial statements)	
	As at 31st March, 2026, the trade receivables balance excluding provisions of the Group included in Note 11 was ₹ 256.83 crores. 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.	Our audit procedures included but were not limited to the following: (a) Understanding the trade receivables process with regards to valuation and evaluation of controls designed and implemented by the management; (b) Assessment of the appropriateness of the Company's credit risk policy and obtaining an understanding on management of credit risk; (c) Control testing: • 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. (d) Tests of details: • We have checked the ageing analysis, on a sample basis and subsequent receipt of the trade receivables, to the source documents, including bank statements;

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
		• 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; • We have verified the appropriateness of judgments regarding provisions for trade receivables and assessment as to whether these provisions were calculated in accordance with the Group's provisioning policies; and • 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.
2.	**Revenue recognition** (Refer Note 26 to the consolidated financial statements)	
	The revenue of the Group consists primarily of sale of milk and milk products that are sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognized when the control of products is transferred to the customer and there is no unfulfilled obligation. Owing to the volume of sales transactions, size of the distribution network and varied terms of contracts with customers, revenue is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and hence, requiring significant auditor attention. The management is required to make certain key judgements around determination of transaction price in accordance with the requirements of Ind AS 115, *Revenue from Contracts with Customers,* on account of consideration payable to customers in the form of various discount schemes, returns and rebates. The Group and its external stakeholders focus on revenue as a key performance indicator and this could create an incentive for revenue to be overstated or recognized 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.	Our key audit procedures around revenue recognition included, but were not limited to, the following: • Assessed the appropriateness of the revenue recognition accounting policies of the Group including those relating to rebates and trade discounts, by evaluating compliance with the applicable accounting standards; • Evaluated the design and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general and specific information technology controls; • Performed substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable; • Performed analytical review procedures on revenue recognised during the year to identify any unusual and/or material variances; • Performed confirmation and alternative procedures on selected invoices outstanding as at the year end; • Understood and evaluated the Group's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes; • Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognized in the appropriate financial period; • Tested a sample of manual journal entries posted to revenue ledgers to identify any unusual items. • Evaluated the appropriateness and adequacy of disclosures in the consolidated financial statements in respect of revenue recognition in accordance with the applicable requirements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion. However, with respect to another subsidiary, incorporated outside India, the activities have not commenced and accordingly, have not prepared the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statement of one (1) subsidiary, incorporated outside India, which has not commenced any business operations since its incorporation during the year and for which no separate financial statements have been prepared and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Section 143(3) of the Act in so far as it relates to aforesaid subsidiary is based solely on the information and explanations provided by the Management. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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 except for the matter stated in paragraph (h)(vi) below;

   c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company, incorporated in India as on 31st March, 2026 taken on record by the Board of Directors of the Holding Company and its subsidiary company none of the directors of the Holding Company and its subsidiary company, incorporated in India is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'.**

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The provisions of Section 197 of the Act are not applicable to the subsidiary company incorporated in India, as it is a private company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its subsidiary company, incorporated in India - (Refer Note 41 to the consolidated financial statements).

(ii) The Holding Company and its subsidiary company, incorporated in India did not have any material foreseeable losses on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

(iv) (a) The respective managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiary which are company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) The respective managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company and its subsidiary.

(v) (a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.

(b) As stated in Note 16 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.

(vi) Based on our examination which included test checks, except for the instances mentioned below, the Holding Company and its subsidiary company, incorporated in India has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

In case of the Holding Company and its subsidiary company incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account.

Further, the audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Holding Company and its subsidiary company incorporated in India as per the statutory requirements for record retention.

2. With respect to the matters specified in the Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, and according to the information and explanations given to us, and based on our audit of Holding Company and its subsidiary company, incorporated in India as included in the consolidated financial statements, there have been no qualifications or adverse remarks in the CARO reports.

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

Edwin Paul Augustine
Partner
Membership No. 043385
UDIN: 26043385CGQGND3797

Mumbai, 7th May, 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

In conjunction with our audit of the consolidated financial statements of the **Parag Milk Foods Limited** (the 'Holding Company') as of and for the year ended 31st March, 2026, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary company, which is a company incorporated in India's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2026, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company, which is a company incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Edwin Paul Augustine
Partner
Membership No. 043385
UDIN: 26043385CGQGND3797

Mumbai, 7th May, 2026

Consolidated Balance Sheet

as at 31st March, 2026

(₹ in crores)

Particulars	Notes	As at 31st March, 2026	As at 31st March, 2025
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	460.71	448.55
(b) Capital work-in-progress	4A	37.35	19.31
(c) Other intangible assets	5	6.76	1.98
(d) Right-of-Use assets	5A	69.43	39.41
(e) Biological assets other than bearer plants	6	106.23	87.65
(f) Financial assets			
(i) Investments	7	4.63	4.63
(ii) Other financial assets	8	51.16	42.79
(g) Other non-current assets	9	213.17	193.50
Total Non-current assets		**949.44**	**837.82**
(2) Current assets			
(a) Inventories	10	730.30	577.95
(b) Financial assets			
(i) Trade receivables	11	244.51	259.51
(ii) Cash and cash equivalents	12	3.28	11.89
(iii) Bank balances other than (ii) above	13	14.99	13.16
(c) Current tax assets (net)	14	54.20	37.50
(d) Other current assets	15	283.91	294.82
Total Current assets		**1,331.19**	**1,194.82**
Total Assets		**2,280.63**	**2,032.64**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	125.01	119.20
(b) Other equity	17	1,133.55	904.21
Total Equity		**1,258.56**	**1,023.41**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	157.96	252.37
(ii) Lease liabilities	19	52.19	30.90
(b) Provisions	20	7.64	4.68
(c) Deferred tax liabilities (net)	34	27.34	10.54
Total Non-current liabilities		**245.13**	**298.49**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	382.47	363.12
(ii) Lease liabilities	22	14.78	7.90
(iii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		42.33	11.81
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		224.67	243.87
(iv) Other financial liabilities	24	58.77	53.42
(b) Other current liabilities	25	53.61	30.31
(c) Provisions	20	0.31	0.31
Total Current liabilities		**776.94**	**710.74**
Total Liabilities		**1,022.07**	**1,009.23**
Total Equity and Liabilities		**2,280.63**	**2,032.64**
See accompanying notes forming an integral part of the consolidated financial statements	1 to 55		

As per our report of even date attached

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

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

Edwin Paul Augustine
Partner
Membership No. 043385

Devendra Shah
Chairman
DIN: 01127319

Pritam Shah
Managing Director & Interim Chief Financial Officer
DIN: 01127247

Virendra Varma
Company Secretary & Compliance Officer
Membership No. F10520

Place: Mumbai
Date: 07th May, 2026

Place: Mumbai
Date: 07th May, 2026

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2026

(₹ in crores)

Particulars	Notes	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(I) Income			
(a) Revenue from operations	26	3,817.50	3,432.21
(b) Other income	27	53.46	40.25
Total Income		**3,870.96**	**3,472.46**
(II) Expenses			
(a) Cost of materials consumed	28	2,936.32	2,431.51
(b) Changes in inventories of finished goods and work-in-progress	29	(138.67)	57.27
(c) Employee benefits expense	30	184.27	149.95
(d) Finance costs	31	81.39	93.12
(e) Depreciation and amortisation expense	32	70.74	67.22
(f) Other expenses	33	578.80	540.80
Total Expenses		**3,712.85**	**3,339.87**
(III) Profit Before Exceptional Items and Tax (I-II)		**158.11**	**132.59**
Exceptional items (Refer note 52)		5.72	-
Profit before tax		**152.39**	**132.59**
(IV) Tax expense	34		
MAT (Credit)/ Utilised		-	(1.19)
Current tax		0.45	-
Deferred tax charge		16.89	14.99
(V) Profit for the year (III-IV)		**135.05**	**118.79**
(VI) Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	40	0.38	2.51
Income tax on above	34	(0.09)	(0.64)
Other comprehensive income for the year, net of tax		**0.29**	**1.87**
(VII) Total Comprehensive income for the year (V-VI)		**134.76**	**116.92**
(VIII) Earnings per equity share (of face value of ₹ 10/- each)	43		
Basic (in ₹)		11.06	9.97
Diluted (in ₹)		10.57	9.51
See accompanying notes forming an integral part of the consolidated financial statements	1 to 55		

As per our report of even date attached
SHARP & TANNAN
Chartered Accountants
Firm Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

Place: Mumbai
Date: 07th May, 2026

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: 07th May, 2026

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2026

Equity share capital (Refer note 16)

(₹ in crores)

Particulars	For the year ended 31st March, 2026				
	Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
Issued, subscribed and paid-up (Equity shares of face value ₹ 10 each)	119.20	-	119.20	5.81	125.01

(₹ in crores)

Particulars	For the year ended 31st March, 2025				
	Balance at the beginning of the previous reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
Issued, subscribed and paid-up (Equity shares of face value ₹ 10 each)	119.20	-	119.20	0.00	119.20

Other equity (Refer note 17)

(₹ in crores)

	Reserves and Surplus					Money received against share warrants	Equity component of FCCB	Total other equity
	Securities premium	General reserve	Share options outstanding Account	Other Comprehensive Income	Retained earnings			
Balance as at 1st April, 2024	**776.77**	**5.93**	**-**	**0.33**	**(0.79)**	**-**	**10.68**	**792.91**
Profit for the year	-	-	-	-	118.79	-	-	118.79
Other Comprehensive Income for the year (net of tax)	-	-	-	(1.87)	-	-	-	(1.87)
Dividend paid	-	-	-	-	(5.97)	-	-	(5.97)
Share based payment expenses	-	-	0.34	-	-	-	-	0.34
Balance as at 31st March, 2025	**776.77**	**5.93**	**0.34**	**(1.54)**	**112.02**	**-**	**10.68**	**904.21**

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2026

(₹ in crores)

	Reserves and Surplus					Money received against share warrants	Equity component of FCCB	Total other equity
	Securities premium	General reserve	Share options outstanding Account	Other Comprehensive Income	Retained earnings			
Profit for the year	-	-	-	-	135.05	-	-	135.05
Other Comprehensive Income for the year (net of tax)	-	-	-	(0.29)	-	-	-	(0.29)
Dividend Paid	-	-	-	-	(11.94)	-	-	(11.94)
Derecognition on conversion of FCCB (Refer note 16 (i))	-	-	-	-	-	-	(10.68)	(10.68)
Premium on conversion of FCCB (Refer note 16 (i))	71.67	-	-	-	-	-	-	71.67
Money received against share warrants (Refer note 16 (h))	-	-	-	-	-	40.30	-	40.30
Share based payment expenses	-	-	5.24	-	-	-	-	5.24
Balance as at 31st March, 2026	**848.44**	**5.93**	**5.58**	**(1.83)**	**235.13**	**40.30**	**-**	**1,133.55**

See accompanying notes forming an integral part of the consolidated financial statements

As per our report of even date attached

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

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

Edwin Paul Augustine
Partner
Membership No. 043385

Devendra Shah
Chairman
DIN: 01127319

Pritam Shah
Managing Director & Interim Chief Financial Officer
DIN: 01127247

Virendra Varma
Company Secretary & Compliance Officer
Membership No. F10520

Place: Mumbai
Date: 07th May, 2026

Place: Mumbai
Date: 07th May, 2026

Consolidated Statement of Cash Flows

for the year ended 31st March, 2026

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Cash Flows from Operating Activities		
Profit before tax	152.39	132.59
Adjustments for:		
Depreciation and amortization expense (includes on Right-of-Use assets)	70.74	67.22
Reversal for doubtful advances	(7.05)	(7.92)
Reversal of expected credit loss	(2.00)	(12.63)
Bad Debt written off	6.52	38.86
Reversal of expected credit loss	(6.52)	(38.86)
Share based payment expenses	5.24	0.34
Finance cost	81.39	93.12
Loss on sale or death of biological assets	1.57	0.85
Gain on fair value changes of biological assets	(21.01)	(13.31)
Sundry balances written off	0.40	-
Gain on sale of property, plant and equipment	(3.45)	(0.11)
Gain on termination of lease	(0.25)	(0.68)
Exchange fluctuation (gain)/loss (net)	(15.06)	2.49
Interest income	(2.55)	(3.06)
Operating profit before working capital changes	**260.36**	**258.90**
Adjustments for:		
(Increase)/decrease in inventories	(152.35)	37.36
(Increase)/decrease in trade and other receivables	63.70	(63.90)
(Decrease) in trade payables and other payables	(7.68)	(8.30)
Increase/(decrease) in provisions	2.59	(0.53)
Cash generated from operations	**166.62**	**223.53**
Direct taxes paid (net of refunds)	(17.14)	(11.49)
Net cash flows generated from operating activities	**149.48**	**212.04**
B. Cash Flows from Investing Activities		
Investment in Right-of-Use assets	(5.26)	(2.55)
Purchase of property, plant and equipment	(100.88)	(121.30)
Purchase of intangible assets	(3.11)	(1.66)
Sale proceeds of biological assets	0.86	0.64
Sale of property, plant and equipment	17.46	0.04
Investment in fixed deposits	(10.38)	(9.70)
Interest received	3.30	2.14
Net cash flows used in investing activities	**(98.01)**	**(132.39)**
C. Cash Flows from Financing Activities		
Proceeds from issue of shares	77.48	-
Proceed from issue of warrants	40.30	-
Proceeds from long-term borrowings	34.30	45.31
Repayment of long-term borrowings	(116.94)	(28.91)
Proceeds from short-term borrowings (net)	10.74	13.20
Payment of principal portion of lease liabilities	(13.05)	(10.15)
Payment of interest portion of lease liabilities	(6.78)	(6.15)
Interest paid	(74.19)	(85.68)
Dividend paid	(11.94)	(5.97)
Net cash flows used in financing activities	**(60.08)**	**(78.35)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(8.61)	1.33
Cash and cash equivalents at the beginning of the year	11.89	10.56
Cash and cash equivalents at the end of the year	3.28	11.89

Consolidated Statement of Cash Flows

for the year ended 31st March, 2026

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cash and cash equivalents include:		
Balances with banks	1.36	9.85
Cash on hand	1.92	2.04
Total	**3.28**	**11.89**

Notes :

1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, *Statement of Cash Flows*, as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).

2) Additions to property, plant and equipment include movements of capital work-in-progress and capital advance during the year.

3) Changes in liabilities arising from financing activities

(₹ in crores)

Particulars	Opening Balance	Cash movement	Non-Cash Changes		Closing Balance
			Fair value changes	Others	
Long term borrowings (gross)	252.37	(82.63)	(1.39)	(10.39)	157.96
Short term borrowings (net)	363.12	10.74	-	8.61	382.47
Lease liabilities (ROU Asset)	38.80	(19.83)	-	48.00	66.97
Total	**654.29**	**(91.72)**	**(1.39)**	**46.22**	**607.39**

4) Figures for the previous year have been regrouped wherever necessary.

See accompanying notes forming an integral part of the consolidated financial statements

As per our report of even date attached
SHARP & TANNAN
Chartered Accountants
Firm Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

Place: Mumbai
Date: 07th May, 2026

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: 07th May, 2026

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

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. These consolidated financial statements comprise financial statements of Parag Milk Foods Limited ('the Holding Company') and its subsidiaries (collectively referred to as the 'Group') for the year ended 31st March, 2026.

The Holding Company is a public listed company incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Group is engaged in the business of procurement of cow milk mainly in western and southern region, undertakes processing of milk and manufacture of various value-added products namely, Cheese, Butter, Ghee (clarified butter), Fresh cream, Milk powder, Flavoured milk, Lassi (yogurt based drink), Curd, Mithai (Indian sweets) etc., which are marketed under its registered brand name 'Gowardhan', 'Go', 'Pride of Cows', 'Gowardhan Khushiyan Mithai' and 'Avvatar'.

The consolidated financial statements were authorised for issue by the Group's Board of Directors on 7th May, 2026.

2. Basis of Accounting and Preparation of Financial Statements

2.1 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act,2013, (the 'Act'), and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Act. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

Details of Group's material accounting policies are included in Note 3 below.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), the functional currency of the Group.

Items included in the consolidated financial statements of the Group are recognised using the currency of the primary economic environment in which the Group operates ('the functional currency').

2.3 Basis of measurement

The consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for the following items:

Items	Measurement Basis
Certain Financial Assets and Liabilities	Fair value
Shared-based Payment	Fair value
Biological Assets	Fair value less cost to sell
Net Defined Benefit (Asset)/ Liability	Present value of defined benefit obligation less fair value of plan assets

The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the consolidated financial statements along with the other notes required to be disclosed under the notified accounting standards.

2.4 Current / non-current classification

(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 twelve months from the date of the financial statements. Accordingly, assets/liabilities expected to be realised / settled within twelve months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

The Group 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.

All other assets are classified as non-current.

A liability is current when:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

- It is expected to be settled in Group normal operating cycle
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(ii) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of asset and liabilities

(iii) Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crores (₹ 00,00,000) as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

2.5 Use of estimates and judgements

In the preparation of the consolidated financial statements, the management made judgements, estimates and assumptions about the carrying amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reported period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is as below:

- Note 39 - Leases - determination of lease term of contracts with renewal and termination options – Group as a lessee.
- Note 10 - Inventories - Valuation of Inventories

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year are as below and been discussed in detail in the relevant section of accounting policies:

- Note 40 - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 41 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 4 - Useful life of Property, Plant and Equipment
- Note 45 - Biological assets other than Bearer Plant
- Note 36 - Fair value measurement of financial instruments
- Note 11 - Allowance for doubtful debt as per expected credit loss basis
- Note 34 - Estimation of tax expenses, utilization of deferred tax assets and tax payable.
- Note 39 - Lease liabilities for calculating the present value of lease payment, the use of incremental borrowing rate is made at the lease commencement date
- Note 37 - Impairment of financial assets.
- Note 10 - Inventories – determination of net realisable value
- Note 46 – Estimates related to Share based payment. It requires determination of the most appropriate valuation model, which is determined on the terms and conditions of the grant.

2.6 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.

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,

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.7 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries, being the entities that it controls. Control is evidenced where the group has power over the investee or is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the holding company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies of the group.

For non-wholly owned subsidiaries a share of the profit/loss for the financial year and net assets is contributed to the non-controlling interests as shown in the Consolidated Statement of profit and loss.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together the items of assets, liabilities, equity, income and expenses. Inter Group 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.

3. Material Accounting Policies

The material accounting policies applied in the preparation of the consolidated financial statements are set out in the relevant notes thereto.

3.1. Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. For freehold land has infinite useful life can be determined, related carrying amounts are not amortised.

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, non-refundable purchase taxes, duties, 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, from the useful life of the remaining asset, useful life of that material part is determined separately, and such asset component is depreciated over its useful life.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in consolidated 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.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance cost are charged to the consolidated statement of profit and loss during the reporting period in which they are incurred.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Depreciation

Property plant and equipment are subsequently measured at cost less accumulated depreciation less accumulated impairment losses if any. A depreciable amount for asset is the cost of an asset or other substituted cost less its estimated residual value.

Depreciation on cost of Property plant and equipment is provided on straight-line-method based on 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 based on the management estimates of useful life, namely 3 years.

Depreciation on additions is provided on a *pro-rata* basis from the date of ready to use and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a *pro-rata* basis up to the month proceeding the month of deduction/disposal.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than estimated recoverable amount.

Useful life of the assets are as follows: -

Management believes that such estimated useful lives are realistic and reflects a fair approximation of the period over which the assets are likely to be used.

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.

Property plant and equipment other than land is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Derecognition

An item of Property plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible Property plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the Property plant and equipment and are recognized in the consolidated statement of profit and loss when the Property plant and equipment 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 comprises costs incurred in respect of Property plant and equipment that are not yet ready for their intended use as at the balance sheet date. 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.

Advances paid towards acquisition of Property plant and equipment outstanding as at each balance sheet date are classified as capital advances under "Other Non-Current Assets"

3.2. Other Intangible assets

Recognition and measurement

Other Intangibles are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the intangible asset and making the asset ready for its intended use. Expenses related to incidental operations are recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortization

Intangibles are subsequently measured at cost less accumulated amortisation and impairment losses, if any. Amortization is recognised in consolidated statement of

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives are as follows:

Assets	Useful life (years)
Trade Marks	10
Website Development	3
Computer Software	3

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes, if any are accounted for as changes in accounting estimates.

The amortization 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 (CGU) level.

Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the consolidated statement of profit and loss when the asset is derecognised.

3.3 Impairment

Financial assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL with simplified approach. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in consolidated statement of profit and loss.

As a practical expedient, the Group applies a provision matrix to measure the lifetime expected credit losses (ECL) on its trade receivables. The provision matrix is based on ageing of receivables and is adjusted to reflect forward-looking information. The Group has deployed a standard operating procedure for accounting of ECL and the same is being followed consistently. At each reporting date, the historical default rates and forward-looking estimates are reviewed and updated, as appropriate.

Non-financial assets other than Inventory and Deferred tax 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. For the purpose of assessing impairment, a cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.4 Leases

The Group's lease portfolio primarily comprises leases of land and buildings for offices, warehouse spaces, plant and equipment, and vehicles. 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

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 contains an identified asset which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

(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 throughout the period of use.

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. ROU assets are evaluated for recoverability whenever the event or change in circumstances indicate that their carrying amount may not be recovered.

The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with corresponding adjustment to the related ROU asset if Group changes its assessment if whether it will exercise an extension or termination option.

Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made. It is remeasured to reflect any reassessment or modification or if there are changes in in-substance fixed payments. When lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset or profit and loss, if the right of use asset or profit or loss, if the right of use asset is already reduced to zero.

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.

3.5 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell.

Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

Biological Assets i.e. livestock (cows) are measured at fair value less costs to sell, with any change therein recognised in statement of profit and loss.

The animals reared from conception (calf) and heifers are classified as 'immatured biological assets' until the animals become productive. All the productive animals are classified as "matured biological assets".

3.6 Inventories

Inventories comprise of raw material, work in progress, packing material, stores spares and consumables and Finished Goods. Inventories are initially recognised at cost (including prime cost, GST and other overheads incurred in bringing the inventories to their present location and condition) and subsequently at the lower of cost or 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 in the ordinary course of business less the estimated cost of completion and the estimated cost to make the sale.

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 on the basis of management's estimated usage, shelf life of products, demand and market of the inventories.

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 appropriate share of fixed and variable production overheads incurred in bringing the inventories to their present location and condition), computed on a weighted average basis.

3.7 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less which are repayable on demand, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

3.8 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to receive consideration.

Trade receivables are measured at contract price and subsequently measured at amortised cost net of any expected credit losses, if any. The Group provides for expected credit loss using simplified approach based on probability of default which are possible over the life time of the assets.

3.9 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade payables are presented as current unless payment is not due within twelve months after the reporting period. They are recognized initially at the fair value and subsequently measured at amortized cost using the effective interest method. The amount due to suppliers are generally unsecured.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and initial measurement

The Group initially recognises financial assets (excluding Trade Receivable) and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

Financial instruments are subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

Financial assets at fair value through other comprehensive income (FVOCI)

A debt instrument is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the consolidated statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

In case, the Group's management has made an irrevocable election at the time of initial recognition to account for the equity investment (Other than Investments in equity instruments of Subsidiary) FVOCI. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the consolidated statement of profit and loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss. The group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost.

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

3.11 Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

3.12 Revenue recognition

The Group is engaged in the business of procurement of cow milk and undertakes processing of milk and manufacture of various value-added products from milk. The Group derives revenues primarily from sale of milk and value-added products made from milk. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be measured reliably. 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 separate performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services ("transaction price").

Revenue is measured on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Discounts are recognised in accordance with the schemes implemented by the Group. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice. Contract with customers do not have significant financing component or non-cash consideration and Group does not have unbilled revenue or significant amount of pre-payment from customers.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

Processing charges is recognized as per the terms of the contract when the related services are rendered.

3.13 Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Dividend income is recognized when the group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Interest Income on Bank Deposits is accrued on time proportionate basis and at the applicable interest rate.

3.14 Foreign currency translation

Initial Recognition

On initial recognition, transaction in foreign currencies entered into by the Group are recorded in the functional currency (INR), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Consolidated statement of profit and 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.

3.15 Government grants and incentives

Government incentives are recognised at fair value when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received. The Government incentives are recognised in consolidated statement of profit and 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 subsidy are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability

3.16 Share-based Payment

Employees of the Group receive remuneration in the form of share-based payment in consideration of the services rendered. Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognized as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer using Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

3.17 Income tax

Income tax comprises current and deferred tax. It is recognised in consolidated statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in Other Comprehensive Income (OCI).

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. Current tax is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Current tax assets and liabilities are offset only if:

(i) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and

(ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneous

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits, when it meets the criteria for carry forward.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

- 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.

The Government of India, on 20th September , 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Group has decided to take benefit of the reduced tax rate as permitted in the said section.

Presentation of current and deferred tax

Current and deferred tax are recognised as income or an expense in the consolidated 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 or equity respectively.

Uncertain Tax Positions

Management periodically evaluates the tax positions adopted in the income tax returns in respect of matters where the applicable tax laws and regulations are subject to interpretation and assesses whether it is probable that the relevant taxation authority will accept the uncertain tax treatment.

The Group reflects the effect of each uncertain tax treatment using either the expected value method, which represents the probability-weighted average of a range of possible outcomes, or the most likely amount method, being the single most likely outcome, depending on which method is expected to better predict the resolution of the uncertainty. The Group applies consistent judgements and estimates where an uncertain tax treatment affects both current and deferred tax.

MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset/Net of Deferred tax liabilities.

3.18 Borrowing costs

Borrowing costs consist of interest, ancillary costs and other costs incurred 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 consolidated statement of profit and loss.

A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

3.19 Provisions, contingent liabilities and contingent assets

The Group recognizes the provisions when a present obligation (legal or constructive) as a result of past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

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

A contingent liability is disclosed 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 liability is recognised or disclosure is made.

Contingent assets are generally not recognised. Contingent assets are disclosed in the standalone financial statements when a inflow of economic benefit is probable. However,

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Any reimbursement that the Group can be virtually certain to collect from a third party covering the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

3.20 Employee benefits

Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, performance incentives, bonuses and ex-gratia etc and are recognised as expenses in the period in which the employee renders the related service.

Post-employment benefits

Defined Contribution Plans

Contributions to defined contribution schemes (plans) such as Provident Fund, Employees State Insurance, Employee pension schemes and labour welfare are recognised as expenses in the period in which the employee renders the related service. The Group has no further legal or constructive obligations beyond its monthly fixed contributions.

Defined Benefit Plans

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 consolidated 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.

The legal obligation for any benefit remains with the Group, even if plan assets for funding the defined plan have been set aside.

3.21 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit/loss attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings shares to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.22 Statement of Cash flow

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

3.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the group.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

3.24 Exceptional Items

Items of income or expense arising from ordinary activities that, by virtue of their size, nature, or incidence, require separate disclosure to enhance the understanding of the Group's financial performance are presented as exceptional items in the consolidated statement of profit and loss.

3.25 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. The Group has applied following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 with effect from 1st April, 2025:

a. **Ind AS 7 – *Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosure***

The amendments to Ind AS 7 and Ind AS 107 require entities to disclose information about supplier finance arrangements, including their impact on liabilities, cash flows and exposure to liquidity risk. The Group has evaluated the impact of these amendments and has provided the required disclosures in the consolidated financial statements, where applicable. These amendments have no other material impact on the consolidated financial statements.

b. **Ind AS 1 – *Presentation of Financial Statements***

The amendments to Ind AS 1 primarily relate to the classification of liabilities as current or non-current. Under the revised requirements, a liability is classified as non-current only if the Group has a substantive right, existing at the end of the reporting period, to defer its settlement for at least twelve months after the reporting date. The amendments also require entities to assess compliance with applicable covenants for classification purposes and provide enhanced related disclosures. The Group has assessed the impact of the amendments relating to covenant compliance and concluded that they do not affect the classification of its liabilities.

c. **Ind AS 12 – International Tax Reform – Pillar Two Model Rules applicable immediately**

The Group has reviewed the amendment and, based on its evaluation, determined that it does not have any material impact on the consolidated financial statements.

d. **Ind AS 21 – *The effects of Changes in Foreign Exchange Rates* – Lack of Exchangeability**

The Group has reviewed the amendment and based on its evaluation, determined that it does not have any significant impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 4: Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Leasehold building improvements	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Year ended 31st March, 2025									
Gross carrying amount									
Opening gross carrying amount	47.75	4.16	102.62	568.24	6.09	8.54	4.42	6.83	748.65
Additions during the year	2.21	2.76	81.17	54.54	2.30	0.77	1.37	1.53	146.66
Disposals/Adjustments during the year	-	-	-	(6.90)	(0.01)	(0.18)	-	(0.20)	(7.29)
Closing gross carrying amount as at 31st March, 2025	**49.96**	**6.92**	**183.79**	**615.88**	**8.38**	**9.13**	**5.79**	**8.16**	**888.02**
Accumulated depreciation									
Opening accumulated depreciation	-	3.94	29.14	344.11	3.13	4.86	3.11	5.05	393.34
Depreciation charge during the year	-	0.23	4.58	45.00	0.61	0.73	0.43	1.06	52.64
Disposals/Adjustments during the year	-	-	-	(6.15)	(0.01)	(0.16)	-	(0.19)	(6.50)
Closing accumulated depreciation up to 31st March, 2025	**-**	**4.17**	**33.72**	**382.96**	**3.73**	**5.43**	**3.54**	**5.92**	**439.48**
Impairment									
Opening balance	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Impairment up to 31st March, 2025	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount as at 31st March, 2025	**49.96**	**2.75**	**150.07**	**232.92**	**4.65**	**3.70**	**2.25**	**2.24**	**448.55**
Year ended 31st March, 2026									
Gross carrying amount									
Opening gross carrying amount	49.96	6.92	183.79	615.88	8.38	9.13	5.79	8.16	888.02
Additions during the year	8.60	0.25	4.95	56.56	0.27	4.76	0.48	1.61	77.49
Disposals/Adjustments during the year	(12.64)	-	(1.30)	(0.64)	(0.16)	-	(0.02)	(0.48)	(15.25)
Closing gross carrying amount as at 31st March, 2026	**45.92**	**7.17**	**187.44**	**671.80**	**8.49**	**13.89**	**6.25**	**9.29**	**950.26**
Accumulated depreciation									
Opening accumulated depreciation	-	4.17	33.72	382.96	3.73	5.43	3.54	5.92	439.48
Depreciation charge during the year	-	0.59	7.20	39.92	0.73	1.14	0.53	1.21	51.32
Disposals/Adjustments during the year	-	-	(0.28)	(0.39)	(0.10)	-	(0.02)	(0.46)	(1.24)
Closing accumulated depreciation up to 31st March, 2026	**-**	**4.76**	**40.64**	**422.49**	**4.36**	**6.57**	**4.05**	**6.67**	**489.56**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	Freehold land	Leasehold building improvements	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Impairment									
Opening balance	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Impairment up to 31st March, 2026	-	-	-	-	-	-	-	-	-
Net carrying amount as at 31st March, 2026	45.92	2.41	146.80	249.31	4.13	7.32	2.20	2.62	460.71

Refer note 35 for information on Assets pledged as security by the Group.

Note 4A: Capital Work-in-progress

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Reconciliation of carrying amount		
Opening balance	19.31	69.12
Additions during the year	91.44	31.04
Capitalised during the year	(73.40)	(80.85)
Closing balance	**37.35**	**19.31**

Ageing of Capital Work-in-progress as on 31st March, 2026

(₹ in crores)

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	30.87	4.18	0.05	2.24	37.35
Projects temporarily suspended	-	-	-	-	-
Total	**30.87**	**4.18**	**0.05**	**2.24**	**37.35**

Ageing of Capital Work-in-progress as on 31st March, 2025

(₹ in crores)

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	11.79	4.92	2.60	-	19.31
Projects temporarily suspended	-	-	-	-	-
Total	**11.79**	**4.92**	**2.60**	**-**	**19.31**

Notes :

1 For details of assets given as security against borrowings (Refer note 18 and 21).

2 Amount of contractual commitments for the acquisition of PPE (Refer note 41).

3 There are no Capital Work-in-progress (CWIP) that are overdue or have exceeded their original plan/ budget.

4 Based on review done by management, there is no indication of impairment loss for Property, plant and equipment for the year requiring provision to be made.

5 No proceedings has been initaited or pending against the Group for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and the rules made there under.

6 The Group has not revalued its Property, plant and equipments during the current year or previous year.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 5: Other intangible assets

(₹ in crores)

Particulars	Computer software	Website Development	Patents / Trade Marks	Total
Year ended 31st March, 2025				
Gross carrying amount				
Opening gross carrying amount	8.44	0.01	1.35	9.80
Additions during the year	1.65	0.00	-	1.65
Closing gross carrying amount as at 31st March, 2025	**10.09**	**0.01**	**1.35**	**11.45**
Accumulated amortisation				
Opening accumulated amortisation	7.54	0.01	1.35	8.90
Amortisation charge for the year	0.57	0.00	-	0.57
Closing accumulated amortisation up to 31st March, 2025	**8.11**	**0.01**	**1.35**	**9.47**
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2025	-	-	-	-
Net carrying amount as at 31st March, 2025	**1.98**	**0.00**	**-**	**1.98**
Year ended 31st March, 2026				
Gross carrying amount				
Opening gross carrying amount	10.09	0.01	1.35	11.45
Additions during the year	7.10	-	-	7.10
Closing gross carrying amount as at 31st March, 2026	**17.19**	**0.01**	**1.35**	**18.55**
Accumulated amortisation				
Opening accumulated amortisation	8.11	0.01	1.35	9.47
Amortisation charge for the year	2.32	-	-	2.32
Closing accumulated amortisation up to 31st March, 2026	**10.43**	**0.01**	**1.35**	**11.79**
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2026	-	-	-	-
Net carrying amount as at 31st March, 2026	**6.76**	**0.00**	**-**	**6.76**

Note :

1 There are no contractual commitments for the acquisition of intangible assets at the reporting date.

2 The Group does not have any project related to development of an intangible asset whose completion is overdue or any project where cost have exceeded as compared to the original plan. There are no project where activities have been suspended.

3 There are no intangible asset under development during the year.

4 Based on review done by management, there is no indication of impairment loss for intangible asset for the year requiring provision to be made.

5 The Group has not revalued any intangible assets after initial recognition during the current and previous financial year.

6 There are no restrictions over the title of the Group's intangible assets, nor are any intangible assets pledged as security for liabilities.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 5A: Right-of-Use assets

(₹ in crores)

Particulars	Land	Building	Plant & Machinery	Total
Year ended 31st March, 2025				
Gross carrying amount				
Opening gross carrying amount	18.97	14.42	24.19	57.58
Additions during the year	1.11	4.31	17.88	23.30
Disposals/Adjustments during the year	(2.61)	-	(18.12)	(20.73)
Closing gross carrying amount as at 31st March, 2025	**17.47**	**18.73**	**23.95**	**60.15**
Accumulated depreciation				
Opening accumulated depreciation	1.22	2.90	19.92	24.04
Depreciation charge during the year	1.87	4.67	7.47	14.01
Disposals/Adjustments during the year	(0.74)	-	(16.59)	(17.33)
Closing accumulated depreciation up to 31st March, 2025	**2.35**	**7.57**	**10.80**	**20.72**
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2025	**-**	**-**	**-**	**-**
Net carrying amount as at 31st March, 2025	**15.11**	**11.15**	**13.15**	**39.41**
Year ended 31st March, 2026				
Gross carrying amount				
Opening gross carrying amount	17.47	18.73	23.95	60.15
Additions during the year	-	5.95	42.93	48.88
Disposals/Adjustments during the year	(1.04)	(1.37)	-	(2.40)
Closing gross carrying amount as at 31st March, 2026	**16.43**	**23.31**	**66.88**	**106.62**
Accumulated depreciation				
Opening accumulated depreciation	2.35	7.57	10.80	20.72
Depreciation charge during the year	1.68	5.79	9.62	17.09
Disposals/Adjustments during the year	(0.03)	(0.60)	-	(0.62)
Closing accumulated depreciation up to 31st March, 2026	**4.00**	**12.76**	**20.42**	**37.18**
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2026	**-**	**-**	**-**	**-**
Net carrying amount as at 31st March, 2026	**12.42**	**10.54**	**46.46**	**69.43**

All lease agreements are duly executed in favour of the Company.

Refer note 39 for disclosure pursuant to Indian Accounting Standard (Ind AS) 116, *Leases*.

Note 6 : Biological asset other than bearer plant - Livestock (Cows)

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	87.65	75.83
Less: Decrease due to sale/disposal	(2.43)	(1.49)
Add: Change in fair value less cost to sell (see note below)	21.01	13.31
Fair Value as at the end of the year	**106.23**	**87.65**

Note:

It represents change in price as well as changes on account of biological transformation. There have been no new purchase/acquisitions of biological assets.

Refer Note 45: Biological Assets

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 7: Non-current Investments

(₹ in crores)

Particulars	Face Value	As at 31st March, 2026		As at 31st March, 2025	
		Quantity (Nos)	Value	Quantity (Nos)	Value
Unquoted					
Investment in Other entities carried (at amortisied cost)					
TP Solapur Saurya Limited	₹ 10	46,24,704	4.62	46,24,704	4.62
Investment in other entities (fair value through profit or loss)					
Unquoted					
OPGS Power Gujarat Private Limited	-	2,18,000	-	2,18,000	-
Rupee Co-Operative Bank Limited	-	3,800	-	3,800	-
Sharad Sahakari Bank Limited	-	318	-	318	-
SVC Co-operative Bank Limited	₹ 10	200	0.00	200	0.00
Total			**4.63**		**4.63**
Aggregate amount of quoted investments investments at cost			-		-
Aggregate amount of market value of quoted investments			-		-
Aggregate amount of unquoted investments at cost			4.63		4.63
Aggregate amount of impairment in the value of investments			-		-

Note:

The investments are in compliance with Section 186(4) of the Companies Act, 2013.

Refer note no. 36 and 37 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 2025-26 and 2024-25.

During the previous year 2024-25, subsidiary company namely, Parag Foods Middle East FZE ("PFME FZE") was incorporated in Dubai. The operations are yet to commence as at the year end.

Note 8: Non-current-Other financial assets

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Term deposits with bank having original maturity of more than one year*	38.26	29.72
Other Deposits		
Unsecured - considered good	12.82	12.55
Credit Impaired	0.15	0.94
Less : Allowances for doubtful deposits	(0.15)	(0.94)
	12.82	**12.55**
Interest receivable	0.08	0.52
Total	**51.16**	**42.79**

*The Group held Term deposits with bank having original maturity of more than one year of ₹ 38.26 crores as at 31st March, 2026 (31st March, 2025: ₹ 29.72 crores). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 9: Other Non-current assets

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital advances (unsecured)		
Considered good	33.29	30.24
Credit Impaired	0.41	0.41
Less: Allowances for doubtful advances	(0.41)	(0.41)
	33.29	**30.24**
Prepaid expenses	0.33	0.06
Balances with government authorities	179.55	163.20
Total	**213.17**	**193.50**

Note 10 : Inventories

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw materials	19.74	17.65
Work-in-progress	406.35	283.74
Finished goods (Refer note below)	236.42	220.36
Packing materials, stores spares and consumables	67.79	56.20
Total	**730.30**	**577.95**

Notes :

The cost of inventories recognised as an expense is disclosed in note 28 together with purchases disclosed in the Statement of profit and loss.

The mode of valuation of inventories has been stated in note 3.6 of material accounting policy.

Inventories given as hypothecation with banks against working capital limit Refer note 18 and 21.

Refer note 35 for information on inventories pledged as security by the Group.

The above includes goods in transit as below:

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Stock in transit - finished goods	5.34	2.99

Note 11: Trade receivables

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade receivables - Considered good ,Unsecured	244.51	259.51
Trade receivables - which have significant increase in credit risk (ageing)	12.32	20.73
Less: Allowance for expected credit loss	(12.32)	(20.73)
Total	**244.51**	**259.51**
The movement in allowance for expected credit loss is as follows:		
Balance as at beginning of the year	20.73	70.97
Reversal of expected credit losses during the year	(1.89)	(11.39)
Trade receivables written off during the year	(6.52)	(38.86)
Balance as at the end of the year	**12.32**	**20.73**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Ageing as at 31st March, 2026 (Outstanding for following period from the due date of payment)

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	166.55	38.36	19.16	11.91	5.54	2.98	244.51
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	2.34	2.19	7.80	12.32
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**166.55**	**38.36**	**19.16**	**14.25**	**7.73**	**10.78**	**256.83**
Allowance for expected credit loss	-	-	-	2.34	2.19	7.80	12.32
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	**-**	**-**	**-**	**2.34**	**2.19**	**7.80**	**12.32**
TOTAL [(A)- (B)]	**166.55**	**38.36**	**19.16**	**11.91**	**5.54**	**2.98**	**244.51**
Percentage of expected credit loss followed for each bracket	0%	0%	0%	16%	28%	72%	

Ageing as at 31st March, 2025 (Outstanding for following period from the due date of payment)

(₹ in crores)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables considered good	236.51	10.75	9.36	2.34	0.55	0.00	259.51
ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	3.04	2.10	15.59	20.73
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**236.51**	**10.75**	**9.36**	**5.38**	**2.65**	**15.59**	**280.24**
Allowance for expected credit loss	-	-	-	3.04	2.10	15.59	20.73
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	**-**	**-**	**-**	**3.04**	**2.10**	**15.59**	**20.73**
TOTAL [(A)- (B)]	**236.51**	**10.75**	**9.36**	**2.34**	**0.55**	**-**	**259.51**
Percentage of expected credit loss followed for each bracket	0%	0%	0%	57%	79%	100%	

Notes:

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(b) No trade receivables are due from directors or other officers of the Group, either severally or jointly with any other person, nor any trade and other receivables are due from firms or private companies respectively in which any directors is a partner, a director or a member.

(c) For the Group's exposure to credit and currency risk relating to trade receivables - [Refer notes 37 (A) and 37 (C)].

(d) Trade receivables are receivable due in the normal operating cycle and are disclosed net of Expected Credit Loss (ECL).

(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, Punjab National Bank and Karnataka Bank Limited.

(f) There are no unbilled dues during the year. Trade receivable are not interest bearing.

(g) Trade receivables are usually as per trade terms based on credit worthiness of customers as per the terms of contract with customers.

Note 12: Cash and cash equivalents

₹ in crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with banks		
- in current accounts	1.35	9.84
Short term bank deposits (maturity within 3 months)*	0.01	0.01
Cash on hand	1.92	2.04
Total	**3.28**	**11.89**

*Short-term deposits are placed for varying periods according to the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

There are no encumbrance with regard to cash and cash equivalents as at the end of the reporting year and prior year.

Note 13: Bank Balance other than cash and cash equivalents

₹ in crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Short term bank deposits (maturity more than 3 months but less than 12 months)	14.99	13.16
Total	**14.99**	**13.16**

Note:

The Group held cash and cash equivalents and other bank balances of ₹ 16.35 crore as at 31st March, 2026 (31st March, 2025: ₹ 23.01 crore). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and are considered to be good.

Note 14: Current tax assets

₹ in crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current tax assets (net)	54.20	37.50
Total	**54.20**	**37.50**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 15: Other current assets

₹ in crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances other than capital advances		
Unsecured considered good unless stated otherwise		
Prepaid expenses	48.03	51.08
Advances to suppliers/others		
Considered good	194.49	216.24
Considered doubtful	0.73	6.82
Less : Allowances for doubtful deposit	(0.73)	(6.82)
	194.49	216.24
Advances to employees	0.39	0.44
Recoverable from statutory and government authorities		
Unsecured considered good unless stated otherwise		
Balances with government authorities	41.00	29.28
Less : Allowances for doubtful recovery	-	(2.22)
	41.00	27.06
Total	283.91	294.82

Note:

The Group has not given any advances to directors or other officers of the Group or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

Note 16: Equity share capital

(a) Details of Equity Share Capital

(₹ in crores)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares (Nos.)	Amount	Number of shares (Nos.)	Amount
Authorised Shares				
Equity shares of ₹ 10 each	20,00,00,000	200.00	20,00,00,000	200.00
Issued, Subscribed and paid-up shares				
Equity shares of ₹10 each	12,50,08,539	125.01	11,92,04,826	119.20

(b) Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year.

(₹ in crores)

Particulars	Number of shares (Nos.)	Face Value (₹)	Amount
As at 31st March, 2024	11,91,99,826	10.00	119.20
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,93,70,841	10.00	119.37
Add: Shares issued on exercise of employee stock option	5,000	10.00	0.01
Less: Amount recoverable / adjustable from ESOP Trust (face value of 1,71,015 shares allotted to the Trust)	1,71,015	10.00	0.17
As at 31st March, 2025	**11,92,04,826**	**10.00**	**119.20**
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,93,05,841	10.00	119.31
Add: Shares issued on exercise of conversion of FCCB	57,33,713	10.00	5.73
Add: Shares issued on exercise of employee stock option	70,000	10.00	0.07
Less: Amount recoverable / adjustable from ESOP Trust (face value of 1,11,015 shares allotted to the Trust)	1,01,015	10.00	0.10
As at 31st March, 2026	12,50,08,539	10.00	125.01

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(c) Terms and rights attached to equity shares

The Group has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive the remaining assets of the Group, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution of the remaining assets will be in proportion to the number of equity shares held by the shareholders. The Board of Directors in their meeting on 7th May, 2026 recommended a final dividend of ₹ 1.10 (One rupee and ten paisa only) per equity share for the financial year ended 31st March, 2026. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹ 13.75 crore. The payout on account of dividend is not recognised as a liability as at 31st March, 2026.

(d) Details of shareholders holding more than 5% shares in the Holding Company *

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares (Nos.)	% holding of total shares	Number of shares (Nos.)	% holding of total shares
Equity shares of ₹ 10 each fully paid				
Mr. Devendra Prakash Shah	2,02,06,400	16.16%	2,02,06,400	16.95%
Mr. Pritam Prakash Shah	91,59,888	7.33%	91,59,888	7.68%
Mrs. Netra Pritam Shah	1,38,67,027	11.09%	1,38,67,027	11.63%
Sixth Sense Indian Opportunities III	57,33,658	4.59%	81,67,245	6.85%

*as per the secretarial records maintained by the company, including its register of members as at the year end.

(e) Details of shareholdings by the Promoter's of the Holding Company.

Promoter Name	As at 31st March, 2026		As at 31st March, 2025		% 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	16.16%	2,02,06,400	16.95%	0.79%
Mr. Pritam Prakash Shah	91,59,888	7.33%	91,59,888	7.68%	0.36%
Late Prakash Babulal Shah	100	0.00%	100	0.00%	0.00%
Mrs. Netra Pritam Shah	1,38,67,027	11.09%	1,38,67,027	11.63%	0.54%
Mrs. Priti Devendra Shah	22,22,820	1.78%	22,22,820	1.86%	0.09%
Mr. Poojan Devendra Shah	32,95,000	2.64%	32,95,000	2.76%	0.13%
Ms. Akshali Devendra Shah	20,00,000	1.60%	20,00,000	1.68%	0.00%
Mrs. Shabdali Mitul Desai	10,000	0.01%	10,000	0.01%	0.00%
Mr. Stavan Pritam Shah	100	0.00%	100	0.00%	0.00%
Late Rajani Prakash Shah	100	0.00%	100	0.00%	0.00%
Late Parag Prakash Shah	1,00,000	0.08%	1,00,000	0.08%	0.00%
Ms. Nayan Sameer Shah	24	0.00%	-	0.00%	0.00%
Total Promoters shares outstanding	**5,08,61,459**	**40.69%**	**5,08,61,435**	**42.67%**	
Total shares outstanding	**12,50,08,539**		**11,92,04,826**		

(f) As per records of the Holding Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares. The above percentage have been computed after excluding 101,015 nos (31st March, 2025 171,015 nos) of equity shares issued to ESOP Trust.

(g) The Holding Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date.

(h) Board of Directors of the Holding Company, in its meeting held on 3rd April, 2025 approved issuance of 90,00,000 Convertible Share Warrants ('Warrants'), each are convertible into equal number of fully paid-up Equity Shares of the Holding Company, on preferential basis to the Promoter and Non-Promoter Group of the Holding Company, up to an amount of ₹ 161.19 Crore, at issue price of ₹ 179.10 per warrant. Shareholders of the Holding Company at their Extra-ordinary General Meeting held on 3rd May, 2025, approved the issuance of Warrants on preferential basis. On 23rd May, 2025, the Holding Company allotted 90,00,000 warrants on

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

receipt of ₹ 40.30 Crore towards minimum 25% of the total consideration of the Warrants. Equity shares to be issued upon exercise of Warrants, shall rank pari-passu to existing equity shares of the Holding Company.

(i) Pursuant to the conversion of 10,680 Foreign Currency Convertible Bonds (FCCB) of USD 1,000 each held by IFC, the Holding Company allotted 57,33,713 equity shares of face value ₹ 10 each at a conversion price of ₹ 135 per share (including premium of ₹ 125 per share) on 29th September, 2025.

(j) Shares reserved for issue under Employee stock purchase plan

Information relating to Employee stock purchase plan, including details of options issued, exercised and lapsed during the financial year and options outstanding as at the end of the reporting year are set out in note 46.

Note 17: Other Equity

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Securities Premium	848.44	776.77
General Reserve	5.93	5.93
Retained Earnings	235.13	112.02
Other Comprehensive Income		
- Remeasurements of defined benefit plans	(1.83)	(1.54)
Shares options outstanding account	5.58	0.34
Money received against share warrants	40.30	-
Equity components of Foreign currency convertible bonds	-	10.68
Total	**1,133.55**	**904.21**

Note: For movements in reserves - Refer Statement of Changes in Equity.

Movement in Reserves

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Securities Premium (A)		
Opening Balance	776.77	776.77
Movement during the year (Refer note 16 (i))	71.67	-
Closing Balance	**848.44**	**776.77**
General Reserves (B)		
Opening Balance	5.93	5.93
Movement during the year	-	-
Closing Balance	**5.93**	**5.93**
Share options oustanding account (C)		
Opening Balance	0.34	-
Share based payment expenses	5.24	0.34
Movement during the year	-	-
Closing Balance	**5.58**	**0.34**
Retained earnings (D)		
Opening Balance	112.02	(0.80)
Add: Profit after tax for the year	135.05	118.79
Less: Dividend paid	(11.94)	(5.97)
Closing Balance	**235.13**	**112.02**
Share warrants (E)		
Opening Balance	-	-
Shares warrants issued during the year (Refer note 16 (h))	40.30	-
Closing Balance	**40.30**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Foreign Currency Convertible Bonds (FCCB) (F)		
Opening Balance	10.68	10.68
Movement during the year (Refer note 16 (i))	(10.68)	-
Closing Balance	-	**10.68**
Other Comprehensive Income (G)		
Opening Balance	(1.54)	0.33
Movement during the year (net of tax)	(0.29)	(1.87)
Closing Balance	**(1.83)**	**(1.54)**
Closing Balance	**1,133.55**	**904.21**

Nature and purpose of reserves

(a) Securities Premium

The amount received in excess of face value of the equity shares is recognised as securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ("the Act").

(b) General Reserves

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc. Mandatory transfer to general reserve is not required under the Act.General reserve is a free reserve available to the company.

(c) Share options oustanding account

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

(d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to the shareholders. Retained earnings is a free reserve available to the company.

(e) Share Warrants

Share warrants are instruments that give their holder the right to buy the stock of the issuing company at a predetermined price within a stipulated time frame. They are similar to options, the holder of a warrant has the right (but not the obligation) to purchase the shares of a company at a specified price in the future.

(f) Foreign Currency Convertible Bonds :

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹ 135 per share which is subject to adjustments in accordance with the terms agreed between the parties and applicable law. FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription. During the current year entire FCCB has been converted into equity share.

(g) Other Comprehensive Income:

Remeasurement of Net Defined Benefit Plans:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 18 : Non-Current - Borrowings

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Measured at amortised cost		
Unsecured		
Foreign Currency Convertible Bonds (Refer note 18(a))	-	81.22
Secured		
Non convertible Debenture (NCD) (Refer note 18(b))	81.64	104.71
Term loans from Bank (Refer note 18(c))	118.25	103.68
Vehicle loan (Refer note 18(d))	4.22	0.30
Less: Current maturity related to above	(46.15)	(37.54)
Total	**157.96**	**252.37**

(a) Pursuant to resolution passed by the Board of Directors of the Holding Company at the meeting held on 28th May, 2021, the Holding 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 was at the option of IFC. The conversion price for the equity shares to be issued upon conversion of the FCCBs was ₹ 135 per share, as per IFC's letter dated 03rd January, 2024 for IFC's in-principle approval for amendment to certain provisions of the FCCB Subscription Agreement dated 8th May, 2021 executed between IFC and the Holding Company.

FCCBs were to be redeemed if not fully converted 5 years plus one day from the date of subscription. Coupon offered, if any on FCCB's, are repayable in 10 semi annual instalments starting from 15th June, 2021.

No interest is payable if the volume weighted average price per equity share of the Holding Company traded on the relevant stock exchange for a 3 month period is equal to or greater than ₹ 200 per share. In consideration of the aforesaid no interest provision has been made for the year ended 31st March, 2026.

IFC exercised its option for the conversion of FCCB into equity as on 29th September, 2025. Accordingly IFC was allotted 55,33,713 equity shares as per the terms of the agreement.

(b) Non-Convertible Debentures (NCDs) are payable as per redemption schedule w.e.f. 15th June, 2023 to 15th June, 2029 in thirteen half yearly instalments of ₹ 11.54 crore each presently carrying interest @ 9.8% p.a.(previous year 10.8% p.a.). The NCDs are secured by First pari passu charge by hypothecation of present and future movable and mortgage of immovable properties situated at Samudrapalle Village, Panchayathi Palamaner Mandal, Andhra Pradesh and Awasari Phata Manchar, Taluka Ambegaon, Maharashtra together with all the erections and constructions of every description which are standing, erected or attached to the properties. The first pari-passu charge on the movable fixed assets excludes specific charge created in favour of other lenders as per the mutual agreement with IFC.

(c) Term loan of ₹ 63.20 crore (31st March, 2025 : ₹ 42.93 crore) carry interest that ranges between @ 9.4%-10.3% p.a. The loans are repayable over 60 to 72 months monthly instalments maturing in January 2030 and December 2031. The loan is secured by exclusive charge on fixed assets acquired from proceeds of such loan and personal guarantee of Mr. Devendra Shah and Mr. Pritam Shah. One of the loan is also secured by exclusive Mortgage Charge on Land & Building Convention Centre, Padma Nidhi 149/1 , Samudra Palli (Vi), Pengaragunta (P.O.), Palamaner (Mdl), Chittoor (Dist), A.P.-517408 and subservient charge on Factory land and building at Samudrapalle Village and Palamaner Mandal, Andhra Pradesh and CTS No. 461, House No. 329, Ward No. 4 Manchar, Ambegaon, Pune, and hypothecation of Entire (Present & Future) Plant & Machinery and other fixed assets owned by the company.

Indian rupee loan from a bank outstanding of ₹ 55.05 crore as at 31st March, 2026 (31st March, 2025 : ₹ 60.75 crore) carried interest ranges from 11.00% to 11.30% p.a. The Rupee currency loan shall be payable each month totalling to 204 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 as well as simple mortgage of land and entire construction thereon (Present & Future) and hypothecation of Plant and Machinery and other fixed assets and live stocks (Present & Future) at Village Bota, Kurkundi and Kurkutwadi, Taluka Sangamner, District Ahmednagar.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(d) Vehicle loan of ₹ 4.22 crore (31st March, 2025 : ₹ 0.30 crore) from HDFC Bank Ltd, Toyota Financial Services Ltd, Karantaka Bank Ltd and Mercedes Benz Financial Services carries interest ranging from 8.0%-9.8% p.a. The loans are repayable in 60 monthly. The loan are secured by hypothecation of specific assets financed (vehicle).

(e) Average interest rate for the non-current borrowings is 7.99% p.a. - 11.3% p.a.

(f) Refer Note 37 for information about liquidity risk, interest risk and market risk of borrowings.

(g) All charges have been registered with the Registrar of Companies (RoC). The company does not have charges which is yet to be registered with the Registrar of Companies (RoC) beyond the statutory period.

(h) The Group has used the borrowings for the specific purpose for which it was availed.

(i) The Group has not been declared wilfull defaulter by any bank or financial institution or government or any government authority.

Note 19: Lease Liabilities - Non Current

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease liability (Refer note 39)	52.19	30.90
Total	**52.19**	**30.90**

Note 20 : Provisions

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Non-current:		
Provision for employee benefits		
Provision for gratuity (Refer note 40)	7.64	4.68
Total	**7.64**	**4.68**
Current:		
Provision for employee benefits		
Others	0.31	0.31
Total	**0.31**	**0.31**

Note 21: Borrowings - current

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Loans repayable on demand		
From banks- cash credit	336.32	325.58
Others		
Current maturities of long-term debt (Refer note 18)	46.15	37.54
Total	**382.47**	**363.12**

Notes:

Cash credit/ Working capital demand loan (WCDL) from banks are secured by first charge Hypothecation of stock, book debts along with all current assets of the holding company and second pari-passu charge on fixed assets by way of hypothecation of present and future movable and mortgage of immovable properties situated at Samudrapalle Village, Panchayathi Palamaner Mandal, Andhra Pradesh and Awasari Phata Manchar, Taluka Ambegaon, Maharashtra together with all the erections and constructions of every description which are standing, erected or attached to the properties along with furniture and fixture situated at respective properties of the holding company together with personal guarantee of directors Mr. Devendra Shah and Mr. Pritam Shah. The cash credit/WCDL is repayable on demand and carries interest ranging between @ 9.60% p.a. to 10.30% p.a.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 22 : Lease liabilities - Current

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease liability (Refer note 39)	14.78	7.90
Total	**14.78**	**7.90**

Note 23 : Trade payables

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Total outstanding dues of micro enterprises and small enterprises; and	42.33	11.81
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises.*	98.47	143.61
- Of which suppliers have received payment from finance provider	126.20	100.26
Total	**267.00**	**255.68**

Some of our suppliers elect to factor some of their receivables from the Holding Company with financial institutions. In such cases, the Holding Company provides suppliers and/or banks with visibility of invoices approved for payment, which helps them receive cash from the bank before the invoice due date, if they choose to do so. Payment dates and terms for the Holding Company do not vary based on whether the supplier chooses to factor their receivable.

₹ in crores

Particulars	As at 31st March, 2026
The carrying amounts of the financial liabilities that are part of a supplier finance arrangement	
Presented within trade payable as "Acceptances"	126.20
For which suppliers have already received payment from finance providers	126.20
Range of payment due dates	
Trade payables that are part of a supplier finance arrangement	7 - 90 days
Trade payables that are not part of a supplier finance arrangement	7 - 90 days

* Amount due to related parties (Refer note 42)

Refer note 37 for information about liquidity and market risk of trade payable.

Note:

(a) Ageing for Trade payables from the due date of payment for each of the category as at 31st March, 2026

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	20.76	21.57	-	0.00	-	42.33
Undisputed dues - Others	132.04	80.74	5.77	0.85	5.28	224.67
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**152.80**	**102.31**	**5.77**	**0.85**	**5.28**	**267.00**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Ageing for Trade payables from the due date of payment for each of the category as at 31st March, 2025

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	0.18	11.45	0.13	0.05	-	11.81
Undisputed dues - Others	160.35	73.47	3.27	5.03	1.76	243.87
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**160.53**	**84.92**	**3.40**	**5.08**	**1.76**	**255.68**

(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 2nd October, 2006, certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the Management, the following disclosures are made for the amounts due to Micro and Small enterprises:

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	42.33	11.81
Interest	1.16	0.86
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	5.02	3.86
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	5.02	3.86

(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 37.

Note 24 : Other Financial Liabilities- Current

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Interest accrued but not due on borrowings	9.39	9.68
Deposits - others	18.81	15.07
Employee related liabilities	11.79	12.36

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade payable for capital goods other than payable to micro enterprises and small enterprises	17.57	15.88
Directors remuneration payable	1.21	0.44
Total	**58.77**	**53.42**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as 31st March, 2026 (31st March, 2025 : ₹ Nil)

(a) Ageing for trade payables for capital goods from the due date of payment for each of the category as at 31st March, 2026

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed dues MSME	-	-	-	-	-	-
Undisputed dues - Others	5.20	5.76	1.07	3.34	2.20	17.57
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**5.20**	**5.76**	**1.07**	**3.34**	**2.20**	**17.57**

(b) Ageing for trade payables for capital goods from the due date of payment for each of the category as at 31st March, 2025

(₹ in crores)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed dues - MSME	-	-	-	-	-	-
Undisputed dues - Others	9.19	1.94	1.56	0.12	3.07	15.88
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**9.19**	**1.94**	**1.56**	**0.12**	**3.07**	**15.88**

Note 25 : Other Current Liabilities

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advances from customers*	44.87	21.57
Statutory dues payables	8.74	8.74
Total	**53.61**	**30.31**

(* Does not include financing component.)

Note 26 : Revenue from Operations

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Sale of products	3,761.51	3,326.67
Other operating revenue	55.99	105.54
Total	**3,817.50**	**3,432.21**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

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.

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Revenue from contract with customers:		
Sale of products	3,761.51	3,326.67
Sale of services	-	-
	3,761.51	**3,326.67**
B. Other operating revenues:		
Processing charges	7.80	8.57
Export benefits and incentives	0.52	0.05
Package Scheme of Incentive	37.15	76.60
Production Linked Incentive	8.63	11.61
Scrap sale	1.89	1.51
Milk Subsidy	-	7.20
	55.99	**105.54**
Total	**3,817.50**	**3,432.21**
(i) Timing of revenue recognition		
Goods transferred at a point in time	3,763.40	3,328.18
Goods transferred over the time	-	-
Total revenue from contract with customers	3,763.40	3,328.18
Add: Processing charges	7.80	8.57
Export benefits and incentives	0.52	0.05
Package Scheme of Incentives	37.15	76.60
Production Linked Incentives	8.63	11.61
Milk Subsidy	-	7.20
Total revenue from operations	**3,817.50**	**3,432.21**
(ii) Disaggregation of revenue based on product		
Milk	369.63	376.46
Milk products	3,238.50	2,814.05
Cattle feed	29.26	18.97
Compost manure	3.07	4.27
Other Consumer products	121.05	112.92
Total revenue from contract with customers	**3,761.51**	**3,326.67**
(iii) Revenue by location of customers		
India	3,682.32	3,240.70
Outside India	81.07	87.48
Total revenue from contract with customers	**3,763.40**	**3,328.18**
Add: Processing charges	7.80	8.57
Export benefits and incentives	0.52	0.05
Package Scheme of Incentive	37.15	76.60
Production Linked Incentive	8.63	11.61
Milk subsidy	-	7.20
Total revenue from operations	**3,817.50**	**3,432.21**
Reconciliation of revenue recognised in statement of profit and loss with contracted price		
Revenue as per contracted price	3,993.98	3,538.18
Less: Discount/ Rebate	(230.59)	(210.00)
Total revenue from contract with customers	**3,763.40**	**3,328.18**
Add: Processing charges	7.80	8.57
Export benefits and incentives	0.52	0.05
Package Scheme of Incentive	37.15	76.60
Production Linked Incentive	8.63	11.61
Milk subsidy	-	7.20
Total revenue from operations	**3,817.50**	**3,432.21**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(a) In accordance with Indian Accounting Standard (Ind AS) 20, *Accounting for Government Grants and Disclosure of Government Assistance*, the Group has accounted for Industrial Promotion Subsidy under Package Scheme of Incentives, 2013 amounting to ₹ 37.15 crore (31st March, 2025 : ₹ 76.60 crore), Production Link Incentives Scheme, 2021 amounting to ₹ 8.63 crore (31st March, 2025: ₹ 11.61 crore) as Other Operating Income in Statement of profit and loss.

(b) The group has also accounted for Milk subsidy amounting to ₹ Nil (31st March, 2025: ₹ 7.20 crore) as Other operating income in statement of profit and loss, based on government circular.

(c) Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers. As at year end there are no unsatisfied performance obligation.

(d) i) The Group does not have any contract asset as at 31st March, 2026; (31st March, 2025 : Nil)

ii) Contract liability of the Group as at 31st March 2026 amounting to ₹ 11.64 crore ; (31st March, 2025: ₹ 4.89 crore)

iii) The contract liabilities of the Group are primarily related to advance from customers for sale of milk and milk products, for which revenue is recorded at a point in time. The amount of ₹ 1.92 crore and ₹ 2.25 crore included in contract liabilities as at 31st March, 2026 and 31st March 2025 have been recognised as revenue in the year ended 31st March 2026 and 31st March 2025.

iv) 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) Amortised in Statement of Profit and Loss at 31st March, 2026 : Nil (31st March, 2025 : Nil)

ii) Recognised as contract assets at 31st March, 2026 : Nil (31st March, 2025 : Nil)

Note 27 : Other income

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
a) On financial assets measured at amortised costs		
Interest on bank deposits	2.55	2.10
Other interest income	0.37	0.96
b) Other non-operating income		
Rental Income	0.01	-
Gain on termination/modification of lease	0.25	0.68
Exchange fluctuation gain (net)	15.06	-
Sundry balances written back (net)	3.53	-
Provision written back (net)	3.64	10.13
Reversal of provision on Expected credit loss (net)	2.00	12.63
Gain on sale of Property, plant and equipment (net)	3.45	0.11
Fair value changes in livestock	21.01	13.31
Miscellaneous income	1.59	0.33
Total	**53.46**	**40.25**

Note 28 : Cost of materials consumed

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Raw materials consumed		
Inventory at the beginning of the year	17.65	10.05
Add: Purchases during the year	2,713.90	2,293.56
	2,731.55	**2,303.61**
Less: Inventory at the close of the year	(19.74)	(17.65)
Cost of Raw materials consumed	2,711.81	2,285.96

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Packing materials consumed		
Inventory at the beginning of the year	56.20	43.90
Add: Purchases during the year	236.10	157.85
	292.30	**201.75**
Less: Inventory at the close of the year	(67.79)	(56.20)
Cost of Packing materials consumed	**224.51**	**145.55**
Total	**2,936.32**	**2,431.51**

Note 29: Changes in inventories of finished goods and work-in-progress

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Inventories at the beginning of the year		
Finished goods	220.36	212.48
Work-in progress	283.74	348.89
	504.10	**561.37**
Less: Inventory at the close of the year		
Finished goods	236.42	220.36
Work-in progress	406.35	283.74
	642.77	**504.10**
Changes in inventories:		
Finished goods	(16.06)	(7.88)
Work-in-progress	(122.61)	65.15
Net increase/ (decrease)	**(138.67)**	**57.27**

Note 30: Employee benefits expense

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Salaries and wages*	143.97	129.36
Contributions to provident and other funds (Refer note 40)	10.09	4.29
Gratuity (Refer note 40)	0.96	1.34
Staff welfare expenses	9.01	9.00
Share based payment expenses (Refer note 46)	5.24	0.34
Director Remuneration (Refer note 42)	15.00	5.62
Total	**184.27**	**149.95**

* Includes salary paid to relative of key managerial personnel (Refer note 42)

Note 31: Finance costs

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest expenses on		
Borrowings	58.63	54.70
Lease liabilities (Refer note 39)	6.78	6.15
Other borrowing cost	15.98	32.27
Total	**81.39**	**93.12**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

Note 32 : Depreciation and amortisation expense

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Depreciation of Property, plant and equipment (Refer note 4)	51.32	52.64
Amortisation of intangible assets (Refer note 5)	2.33	0.57
Depreciation of Right of Use assets (Leased Assets) (Refer note 5A)	17.09	14.01
Total	**70.74**	**67.22**

Note 33 : Other expenses

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Freight, forwarding and distribution expenses	125.63	121.86
Consumption of stores, spare and consumables	27.67	22.60
Power and fuel	141.83	136.52
Rent and storage charges	13.61	13.05
Rates and taxes	14.22	11.69
Repairs and maintenance	14.39	19.42
Processing and other manufacturing charges	26.87	27.63
Exchange fluctuation (net)	-	2.05
Travelling, conveyance and vehicle expenses	22.49	9.43
Legal and professional fees	17.89	14.83
Commission to Directors and sitting fees (Refer note 42)	5.78	4.92
Sales promotion, commission & advertisement	139.87	134.40
Provision for doubtful debts (net)	0.40	0.97
Impairment allowance on trade receivable (net)	0.11	1.24
Bad debts written off	6.52	38.86
Reversal of impairment allowance on trade receivable	(6.52)	(38.86)
Loss on sale of biological assets	1.57	0.85
Auditor's remuneration (Refer note 33.1)	0.71	0.54
Expenditure on corporate social responsibility (Refer note 33.2)	1.66	2.17
Miscellaneous expenses (Refer note 33.3)	24.10	16.63
Total	**578.80**	**540.80**

33.1 Auditors remuneration (excluding goods and service tax)

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(i) As Auditor :	0.57	0.46
Audit fees		
(ii) In Other Capacity:		
For others services	0.02	0.02
For expenses re-imbursed	0.12	0.06
Total	**0.71**	**0.54**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

33.2 Corporate Social responsibility (CSR)

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(a) Gross amount required to be spent by the Company during the year based on 2% of average net profits	1.65	-
(b) Amount spent during the year on:		
i) Construction/acquisition of assets held by the Company	-	-
ii) On purposes other than above		
- payment to human welfare association	1.66	-
(c) Unspent amount at the end of the year	-	-
Amount recognised as an expenses in statement of profit and loss	1.66	2.17

33.3 Miscellaneous expense includes printing and stationery, communication,insurance and other expenses.

33.4 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).

Note 34: Disclosure pursuant to Indian Accounting Standard (Ind AS) 12, *Income Taxes*

(a) The major components of recognised deferred tax assets/(liabilities) arising on account of timing differences are as follows:

For the year ended 31st March, 2026

(₹ in crores)

Particulars	Net balance 1st April , 2025	Recognised in Statement of profit or loss	Recognised in Other Comprehensive income	Net balance 31st March, 2026
Deferred tax liabilities				
Property, plant and equipment & Intangible assets	16.50	3.85	-	20.35
Fair value of livestock	18.92	5.84	-	24.76
Right-of-Use Asset	10.32	7.50	-	17.82
Sub-Total	**45.74**	**17.19**	**-**	**62.93**
Deferred tax assets				
Expected credit loss on financial assets	7.98	(3.36)	-	4.61
Expenses allowed on payment basis	2.34	(0.20)	0.09	2.23
Unabsorbed losses	14.25	(3.20)	-	11.05
Lease Liabilities	10.16	7.07	-	17.23
Minimum Alternate Tax (MAT) credit	0.46	-	-	0.46
Sub-Total	**35.19**	**0.30**	**0.09**	**35.59**
Net Deferred tax (liabilities)	**(10.55)**	**(16.89)**	**0.09**	**(27.34)**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

For the year ended 31st March, 2025

(₹ in crores)

Particulars	Net balance 1st April , 2024	Recognised in Statement of profit or loss	Recognised in Other Comprehensive income	Net balance 31st March, 2025
Deferred tax liabilities				
Property, plant and equipment & Intangible assets	17.41	(0.90)	-	16.51
Fair value of livestock	15.21	3.70	-	18.91
Right-of-Use Asset	8.91	1.40	-	10.31
Sub-Total	**41.53**	**4.20**	**-**	**45.73**
Deferred tax assets				
Expected credit loss on financial assets	23.21	(15.23)	-	7.98
Expenses allowed on payment basis	1.22	0.48	0.64	2.34
Unabsorbed losses	10.55	3.70	-	14.25
Lease liabilities	8.70	1.45	-	10.16
Minimum Alternate Tax (MAT) credit	1.65	(1.19)	-	0.46
Sub-Total	**45.33**	**(10.79)**	**0.64**	**35.19**
Net Deferred tax assets/(liabilities)	**3.80**	**(14.99)**	**0.64**	**(10.54)**

Notes:

(a) Minimum Alternative Tax (MAT) credit balance as at 31st March, 2026 is ₹ 0.46 crore (31st March, 2025 : ₹ 0.46 crore). The Group is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.

(b) The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

(b) The major components of income tax expense for the for the year ended 31st March, 2026 and 31st March, 2025 are:

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
i) Tax expense recognised in the statement of profit and loss comprises:		
Current tax charge	0.45	-
Minimum Alternate Tax (MAT) reversed	-	(1.19)
Total current income tax	0.45	(1.19)
Deferred tax charge		
Relating to origination and reversal of temporary differences	16.89	14.99
Income tax expense reported in the statement of profit or loss	17.34	13.80
ii) Tax expense recognised in Other Comprehensive Income :		
Current income tax related to items recognised in OCI during the year :		
Current Income tax on re-measurement loss on defined benefit plans	(0.09)	(0.64)
Income tax related to items recognised in OCI during the year :	(0.09)	**(0.64)**
iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :		
Accounting Profit before tax	152.39	132.59
Applicable tax rate	25.168%	25.168%
Computed Tax Expense	38.35	**33.37**
Expenses not allowed for tax purpose	(3.78)	(24.16)
Others	(17.24)	4.59
Income tax charged to Statement of Profit and Loss	17.34	**13.80**
Effective tax rate	11.38%	10.41%

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

(c) The Company has not created deferred tax asset on the following tax losses :

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Unabsorbed brought forward business loss	64.36	129.12
Unabsorbed depreciation	73.28	65.23
Total	**137.63**	**194.36**

Note 35 : Assets pledged as security

(₹ in crores)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Current Assets		
Financial assets		
Trade Receivables	244.51	259.51
Cash and cash equivalents	2.40	11.64
Bank balances other than Cash and Cash equivalents	14.99	13.16
	261.90	**284.31**
Non-financial assets		
Inventories	730.30	577.95
Other current assets	356.30	499.47
Total Current assets pledged as security	**1,086.61**	**1,077.42**
Non Current assets		
Non-financial assets		
Land	38.00	37.68
Building	146.80	149.05
Furniture, fittings and equipment	3.98	4.46
Plant and equipments	249.31	232.90
Vehicles	7.32	1.02
Others	4.98	7.30
Biological assets other than bearer plants (Cows)	106.23	87.65
Capital work-in-progress	10.89	7.07
Total non-current assets pledged as security	**567.51**	**527.11**
Total assets pledged as security	**1,916.02**	**1,888.84**

Note 36: Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, *Financial Instruments - Disclosures*

A. Accounting classification and fair values

The under mentioned table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

The categories used as follows:

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 are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

i) The carrying values of current financial liabilities and current financial assets are taken as their fair value because of their short term nature.

ii) The carrying values of non-current financial liabilities and non-current financial assets are taken as their fair value based on their discounted cash flows.

iii) The Group has used quoted market price for determining fair value of investments in equity instruments and mutual funds.

iv) There have been no transfers between level 1, level 2 and level 3 for year ended March 31, 2026 and March 31, 2025 respectively

(₹ in crores)

As at 31st March 2026	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Investments - Others	-	4.63	4.63	-	-	-	-
Other financial assets (non current)	-	51.16	51.16	-	-	-	-
Trade receivable	-	244.51	244.51	-	-	-	-
Cash and cash equivalents	-	3.28	3.28	-	-	-	-
Other bank balances	-	14.99	14.99	-	-	-	-
Total	**-**	**318.57**	**318.57**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings - non-current	-	157.96	157.96	-	-	-	-
Lease liability (current and non current)		66.97	66.97				
Borrowings - current	-	382.47	382.47	-	-	-	-
Trade payables	-	267.00	267.00	-	-	-	-
Other financial liabilities	-	58.77	58.77	-	-	-	-
Total	**-**	**933.17**	**933.17**	**-**	**-**	**-**	**-**

(₹ in crores)

As at 31st March 2025	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Investments - Others	-	4.63	4.63	-	-	-	-
Other financial assets (non current)	-	42.79	42.79	-	-	-	-
Trade receivable	-	259.51	259.51	-	-	-	-
Cash and cash equivalents	-	11.88	11.88	-	-	-	-
Other bank balances	-	13.16	13.16	-	-	-	-
Total	**-**	**331.97**	**331.97**	**-**	**-**	**-**	**-**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

(₹ in crores)

As at 31st March 2025	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities							
Borrowings - non-current	-	252.37	252.37	-	-	-	-
Lease liability (current and non current)		38.80	38.80				
Borrowings - current	-	363.12	363.12	-	-	-	-
Trade payables	-	255.69	255.69	-	-	-	-
Other financial liabilities	-	53.42	53.42	-	-	-	-
Total	**-**	**963.39**	**963.39**	**-**	**-**	**-**	**-**

Note 37: Financial Risk Management

Risk management framework

The Group is exposed to various financial risks, including credit risk, market risk and liquidity risk. The Board of Directors ("Board"), through the Risk Management Committee, oversees the management of these risks.

The Group has established a comprehensive Risk Management Policy, formulated by the Risk Management Committee and approved by the Board, which sets out the Group's approach to identifying and managing uncertainties that may impact the achievement of its stated and implicit objectives. The Policy defines the roles and responsibilities of the management, establishes the risk management structure and provides a framework for the identification, assessment, monitoring and mitigation of risks. The risk management framework is designed to identify and evaluate financial risks and implement appropriate measures to mitigate their potential adverse impact on the Group's financial performance. Based on the information available and circumstances prevailing during the period, the Board has taken appropriate measures to identify and mitigate the risks arising to the Group.

The audit committee of the holding Group 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's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's 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 FVTPL investments.

The Group'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 Group is exposed to and how the entity manages the risk.

(A) Credit risk

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 worthy 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 and Other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

creditworthiness 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. The Group has a comprehensive review mechanism of overdue trade receivables at various levels to ensure proper attention and focus on realisation. The Group exposure are continuously monitored.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Outstanding for a period not exceeding six months	204.90	247.26
Outstanding for a period exceeding six months	51.93	32.98
Gross trade receivables	**256.83**	**280.24**
Less: Allowance for expected credit loss	(12.32)	(20.73)
Net trade receivables	**244.51**	**259.51**

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 receivables is as follows:

(₹ in crores)

Loss allowance on trade receivables	Amount
Balance as at 1st April, 2024	70.97
Reversal of allowance for expected credit loss	(11.39)
Trade receivables written-off during the year	(38.86)
Balance as at 31st March, 2025	**20.73**
Reversal of allowance for expected credit loss	(1.89)
Trade receivables written-off during the year	(6.52)
Balance as at 31st March, 2026	**12.32**

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. The credit worthiness of banks and financial institutions is evaluated by the management on an ongoing basis and is considered good.

(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'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 under both normal and stressed conditions without measuring unacceptable losses of risk of losses to the Group's reputation. 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's 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 alternative sources of short term funding with existing lenders that will be available for disbursement should there be any need.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(i) **Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(₹ in crores)

Contractual maturities of financial liabilities 31st March, 2026	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)	167.33	9.37	38.84	119.12	167.33
Borrowings - current	382.47	382.47			382.47
Trade payables	267.00	267.00			267.00
Lease liabilities	66.97	21.17	20.35	46.51	88.03
Other financial liabilities	49.38	49.38			49.38
Total non-derivative liabilities	**933.15**	**729.39**	**59.19**	**165.63**	**954.21**

(₹ in crores)

Contractual maturities of financial liabilities 31st March, 2025	Carrying value	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives financial liabilities					
Borrowings - non-current (including interest accrued but not due)	281.45	41.19	25.67	160.52	227.38
Borrowings - current	363.12	363.12	-	-	363.12
Trade payables	255.69	255.69	-	-	255.69
Lease liabilities	38.79	12.07	10.09	32.91	55.07
Other financial liabilities	44.65	44.65	-	-	44.65
Total non-derivative liabilities	**983.70**	**716.72**	**35.76**	**193.43**	**945.90**

(C) Market risk

Market risk comprises of three type of risk namely currency risk, interest risk and other price 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 financial 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 liabilities. The objective of market risk management is to avoid excessive exposure in foreign currency.

(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, EURO, GBP and CHF. The Group's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. The functional currency of the Group is Indian Rupee (₹).

The Group has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on 31st March, 2026.

(a) The Group unhedged exposure to foreign currency risk at the end of the reporting year are as follows

(₹ in crores)

Sr no	Particulars	Currency	As at 31st March, 2026		As at 31st March, 2025	
			INR	Foreign currency	INR	Foreign currency
A	*Financial assets*					
(i)	Trade receivables	USD	6.15	0.07	5.86	0.07

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Sr no	Particulars	Currency	As at 31st March, 2026		As at 31st March, 2025	
			INR	Foreign currency	INR	Foreign currency
B	***Financial liabilities***					
(i)	FCCB	USD	-	-	81.22	10.68
(ii)	Trade payables	GBP	-	-	(0.02)	(0.00)
		USD	0.33	0.00	-	-
		EURO	1.34	0.01	(0.06)	(0.01)
		CHF	(0.02)	(0.00)	(0.00)	(0.00)

(b) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at 31st March, 2026 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases:

(₹ in crores)

Particulars	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
31st March, 2026				
Effect in INR				
1 % movement				
USD	0.06	(0.06)	0.06	(0.06)
EUR	(0.01)	0.01	(0.01)	0.01
GBP	0.00	0.00	0.00	0.00
CHF	0.00	0.00	0.00	0.00
31st March, 2025				
Effect in INR				
1 % movement				
USD	0.75	0.75	0.75	0.75
EUR	(0.00)	0.00	(0.00)	0.00
GBP	(0.00)	0.00	(0.00)	0.00
CHF	(0.00)	0.00	(0.00)	0.00

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

The Group'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

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 :

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Fixed rate instruments		
Financial assets		
Bank deposits	53.26	42.88
Total	**53.26**	**42.88**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Variable rate instruments		
Financial liabilities		
Non-current borrowings	157.96	252.37
Current maturities of non-current borrowings	46.15	37.54
Current borrowings	336.32	325.58
Total	**540.43**	**615.49**

(b) Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below has been determined based on the exposure to interest rates risk at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crores)

Particulars	Impact on profit /(loss) - increase / (decrease) in profit	
	As at 31st March, 2026	As at 31st March, 2025
Interest rates – increase by 100 basis points *	(5.40)	(6.15)
Interest rates – decrease by 100 basis points *	5.40	6.15

* Holding all other variables constant

Note 38: Capital Management

a) Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and maximise the shareholder value i.e returns to shareholders.

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 Group 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 and other bank balances. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

(b) Dividend

The Board of Directors of the Holding Company has recommended dividend of ₹ 1.10 (One rupee ten paise only) per equity shares of the face value of ₹ 10 each for the financial year ended 31st March, 2026 which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(c) Net Debt Reconciliation

The Group adjusted net debt to equity ratio are as follows.

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Borrowings		
Long term and Short term borrowings	494.28	577.95
Current maturities of Long term borrowings	46.15	37.54
Less: Cash and cash equivalents and other bank balances	(56.53)	(54.76)
Adjusted net debt	**483.90**	**560.73**
Total Equity	1,258.56	1,023.41
Adjusted net equity	**1,258.56**	**1,023.41**
Adjusted net debt to adjusted equity ratio	**0.38**	**0.55**

No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Note 39 : Disclosure pursuant to Indian Accounting Standard (Ind AS) 116, *Leases*

Lease contracts entered by the Group pertains to Office spaces, Land and Plant & Equipment to conduct its business in ordinary course. There are no restrictions placed upon the Group by entering into these leases. Some of the lease arrangements also include a non-cancellable period, purchase option and escalation clauses. The Group has not given any sub lease during the year. The Group has several lease contracts that include extension and termination options. Significant judgement is exercised by the management in determining whether these extension and termination options are reasonable certain to be exercised.

A. Right-of-Use assets

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Opening balance	60.15	57.58
Additions	48.88	23.30
Disposal / derecognized during the year	(2.40)	(20.73)
Gross Carrying Value (I)	**106.62**	**60.15**

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Opening balance	20.72	24.04
Additions	17.09	14.01
Disposal / derecognized during the year	(0.63)	(17.33)
Closing Accumulated depreciation (II)	**37.18**	**20.72**

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Net Carrying Value (I-II)	**69.43**	**39.41**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

B. Lease Liabilities

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Opening balance	38.80	32.86
Additions/ (Deletions)	41.22	16.09
Accreditation of interest	6.78	6.15
Payments	19.83	16.30
Closing balance	**66.97**	**38.80**

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Current maturities of lease liabilities	14.78	7.90
Non - current lease liabilities	52.18	30.90
Total	**66.97**	**38.80**

As at balance sheet date, the group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The effective interest rate for lease liabilities ranges between 10 % p.a to 12 % p.a.

C. Maturity Analysis of lease liability:

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
less than one year	14.78	7.90
one to two years	15.66	6.77
more than two years upto five years	30.69	15.18
more than five years	5.84	8.95
Total	**66.97**	**38.80**

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

D. Amounts to be recognised in Statement of profit and loss for the year ended 31st March, 2026

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Depreciation expense of Right-of-Use assets	17.09	14.01
Interest expense on lease liabilities	6.78	6.15
Total	**23.87**	**20.16**

Total cash out flow for leases including interest amounting to ₹ 19.83 crores during the year (previous year: ₹ 16.30 crores).

E. Lease rent

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Lease payments recognised for short term leases and low value lease in Statement of Profit and Loss during the year	12.29	11.87
Total	**12.29**	**11.87**

These leases are short-term and of low value in nature. The Group has applied the recognition exemptions provided under Ind AS 116 and has elected not to recognise right-of-use assets and lease liabilities for such leases.

The Group has not revalued its right-of-use assets during the current or previous year.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 40: Disclosure pursuant to Indian Accounting Standard (Ind AS) 19, *Employee Benefits*

A. Defined contribution plan

The Group has recognised an amount of ₹ 10.09 crores (31st March, 2025: ₹ 4.29 crores) as expenses under the Defined Contribution Plans in the Statement of Profit and Loss as below:

(₹ in crores)

Benefit/Contribution to	31st March, 2026	31st March, 2025
Provident Fund	9.52	3.62
National Pension Scheme	0.19	0.29
Labour Welfare Fund	0.03	-
Employees State Insurance	0.34	0.38
Total	**10.09**	**4.29**

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 upon completion of five years of continuous service.

The defined benefit gratuity plan is administered by a Trust that is legally separate from the Group. The gratuity plan is a funded plan, managed by Life Insurance Group ("LIC") and the Group's makes annual contributions to Group Gratuity cum Life Assurance Scheme managed by LIC.

The most recent actuarial valuation of the defined benefit obligation was carried out as at 31st March, 2026. 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 Group 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Based on the actuarial valuation obtained in respect of gratuity, the table below sets out the status of the gratuity plan and the amounts recognized in the Group financial statements as at the balance sheet date.

(₹ in crores)

	Benefit/Contribution to	31st March, 2026	31st March, 2025
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current service cost	1.91	1.20
	Past service cost	4.46	-
	Interest (income) on plan assets	(0.55)	(0.41)
	Interest cost on benefit obligation	0.87	0.56
	Total Expenses	**6.68**	**1.34**
II	**Expenses recognised in OCI**		
	Actuarial (gain) / loss due to demographic assumption changes in DBO	0.00	(0.00)
	Actuarial (gain) / loss due to financial assumption changes in DBO	(0.28)	0.20
	Actuarial (gain)/ losses due to experience on DBO	0.76	2.34
	Return on Plan Assets (greater) / less than discount rate	(0.10)	(0.03)
	Total Expenses	**0.38**	**2.51**
III	**Net asset /(liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation (DBO)	(19.74)	(12.77)
	Fair value of plan assets	12.10	8.09
	Net defined benefit asset /(liability)	**(7.64)**	**(4.68)**
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	12.77	8.84
	Current service cost	1.91	1.20
	Past service cost	4.46	-
	Interest cost	0.87	0.56
	Actuarial (gain)/ loss	0.48	2.54
	Benefits paid	(0.75)	(0.36)
	Present value of defined benefit obligation at the end of the year	**19.74**	**12.76**
V	**Movements in fair value of the plan assets**		
	Opening fair value of plan assets	8.08	5.80
	Expected returns on plan assets	0.55	0.41
	Actuarial (gain)/ loss on Plan assets	0.10	0.03
	Contribution from employer	4.11	2.20
	Benefits paid	(0.75)	(0.35)
	Closing fair value of the plan assets	**12.10**	**8.08**
VI	**Maturity profile of defined benefit obligation**		
	Within the next 12 months (next annual reporting period)	4.56	3.11
	Between 2 to 5 years	10.35	6.56
	Between 6 to 10 years	7.58	4.60
	Over 10 years	5.80	3.74
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	(18.95)	(12.26)
	(ii) -100 basis points decrease in discount rate	20.60	13.34
	(iii) +100 basis points increase in rate of salary increase	(18.61)	12.33
	(iv) -100 basis points decrease in rate of salary increase	17.15	(13.25)
2	Sensitivity analysis method		

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Benefit/Contribution to	31st March, 2026	31st March, 2025
Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes. The Mortality and Attrition does not have a significant impact on the Liability, hence are not considered a significant actuarial assumption for the purpose of Sensitivity analysis. The assumptions used in preparing the sensitivity analysis is Discount rate at +1% and – 1% Salary assumption at +1 % and -1% . The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year.		
VIII Actuarial Assumptions:		
Discount rate	7.16%	6.82%
Expected rate of salary increase	6.00%	6.00%
Withdrawal rate	15.00%	15.00%
Retirement Age	58 years	58 years
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
IX The weighted-average asset allocations at the year end were as follows:		
Equities	0.00%	0.00%
Bonds	0.00%	0.00%
Gilts	0.00%	0.00%
Pooled assets with an insurance company	100.00%	100.00%
Other	0.00%	0.00%
Total	**100.00%**	**100.00%**

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 securities for the estimated term of the obligations.

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 Group.

d) The Group expects to make a contribution of ₹ 4.45 crores to the defined benefit plans (gratuity - funded) during the next financial year.

e) The average duration of the defined benefit plan obligation at the end of the reporting period is 6.15 years.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 41: Contingent liabilities and Commitments

(₹ in crores)

Sr no	Particulars	31st March, 2026	31st March, 2025
(A)	Contingent liabilities		
	Holding Company		
	Claims against the Company not acknowledged as debts -		
a)	Sales tax matter under litigation in respect of Company for pending forms and lower allowance on account of Central Quantum Benefit, against which appeal has been filed.	3.24	3.24
b)	Goods and Service Tax matter under litigation.	5.23	5.60
c)	Income tax matter under litigation.	83.94	54.22
d)	Corporate guarantee issued in favour of lender towards vendor financing program	20.00	
	Subsidiary Company		
a)	Goods and Service Tax matter under litigation.	0.76	2.57
(B)	Commitments		
	Holding Company		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	24.69	3.69
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	12.43	14.84
b)	There are no contractual commitment for acquisition of ROU asset as at the reporting date.	-	-

Notes:

i. The Group is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given reporting period.

ii. The amounts shown above represent the best possible estimates of pending litigations/disputes arrived at on the basis of available information. The above do not include potential risks/demands, if any, for ongoing issues where no claims have been made against the Group.

iii. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

Note 42: 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 company	Bhagyalaxmi Dairy Farms Private Limited
Subsidiary company	Parag Foods Middle East FZE (w.e.f. 7th January, 2025)
B. Other related parties	
(i) Key Management Personnel (KMP)	Mr. Devendra Shah – Chairman
	Mr. Pritam Shah – Managing Director & Interim CFO (w.e.f. from 28th April,2023)
	Ms. Akshali Shah - Executive Director
	Mr. Virendra Varma - Group Secretary & Compliance Officer
(ii) Directors	Mr. Dnyanesh Vishnu Darshane - Independent Director
	Mr. Nikhil Vora - Non Executive Director
	Mr. Milind Patil - Independent Director (w.e.f. from 22nd May,2025)
	Mr. Amitabha Mukhopadhyay - Independent Director (w.e.f. from 22nd May,2025)
	Ms. Namrata Garud - Independent Director (w.e.f. from 2nd May,2025)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Description of relationship	Name of the related party
	Mr. Nitin R. Dhavalikar - Independent Director (upto 28th July,2025)
	Ms. Radhika Dudhat - Independent Director (upto 25th May,2025)
	Mr. Narendra Ambwani - Independent Director (upto 25th May,2025)
(iii) Relative of Key Management Personnel	Mrs. Priti Shah - Spouse of Mr. Devendra Shah (Chairman)
	Mr. Poojan Shah - Son of Mr. Devendra Shah (Chairman)
	Mrs. Netra Shah - Spouse of Mr. Pritam Shah (Managing Director & Interim CFO)
	Mr. Stavan Shah - Son of Mr. Pritam Shah (Managing Director & Interim CFO)
Entity in which KMP can exercise significant influence	Bhagyalaxmi Dairy Farms Private Limited
	Parag Foods Middle East FZE (w.e.f. 7th January, 2025)
	Awasari Infracon Private Limited (w.e.f. 25th February, 2025)
	SHAJ Livewell Nutrient LLP (w.e.f. 13th March, 2025)
	Vitalia Tradeglob Private limited

(ii) Details of transactions between the Company and related parties for the year ended 31st March, 2026:

(a) Transaction during the year

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Remuneration to Key Management Personnel and their relatives *		
Devendra Shah	5.00	2.40
Pritam Shah	5.00	2.40
Akshali Shah	5.00	0.86
Poojan Shah	0.28	0.20
Stavan Shah	0.28	0.20
Virendra Varma (CS)	0.31	0.28
Rent Payment		
Devendra Shah	0.79	0.75
Pritam Shah	0.47	0.43
Priti Shah	0.02	0.02
Netra Shah	0.02	0.02
Purchase of capital assets		
Akshali Shah	0.98	-
Reimbursment of expenses KMP		
Devendra Shah	0.09	0.18
Pritam Shah	0.18	0.26
Akshali Shah	-	0.23
Commission to Directors		
Devendra Shah	1.47	1.12
Pritam Shah	1.47	1.12
Akshali Shah	1.47	1.12
Nitin R. Dhavalikar	0.06	0.29
Radhika Dudhat	0.01	0.30
Narendra Ambwani	0.01	0.27
Dnyanesh Vishnu Darshane	0.29	0.27
Milind Patil	0.15	-
Namrata Garud	0.15	-
Amitabha Mukhopadhyay	0.19	-
Director sitting fees		
Nitin R. Dhavalikar	0.07	0.12
Radhika Dudhat	0.05	0.09
Narendra Ambwani	0.02	0.11
Dnyanesh Vishnu Darshane	0.16	0.11

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Milind Anil Patil	0.06	-
Namrata Garud	0.07	-
Amitabha Mukhopadhyay	0.09	-

* 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, as they are determined on an actuarial basis for the Group as a whole. Further, the remuneration to key managerial personnel does not include employee stock compensation expense.

(b) Details of balances outstanding as at 31st March, 2026 :

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Amount Payable to		
Devendra Shah	0.54	0.35
Pritam Shah	0.39	0.53
Akshali shah	0.30	0.31
Nitin R. Dhavalikar	0.00	0.12
Radhika Dudhat	0.00	0.13
Narendra Ambwani	0.00	0.11
Milind Anil Patil	0.06	-
Namrata Garud	0.05	-
Amitabha Mukhopadhyay	0.07	-
Dnyanesh Vishnu Darshane	0.09	0.11
Netra Shah	0.03	-
Priti Shah	0.03	-
Virendra Varma (CS)	0.02	0.02
Parag Shah	0.03	0.03
*Personal guarantee issued by Devendra Shah and Pritam Shah	1,126.44	557.54

Terms and conditions of transactions with related parties:

(a) The Group enters into related party transactions in the ordinary course of business, following processes and commercial terms similar to those applicable to unrelated parties.

Purchases from and sales to related parties are undertaken on an arm's length basis and on terms comparable to those applicable to unrelated parties. Year-end outstanding balances are unsecured, interest-free and settled in cash.

(b) The recoverability of related party receivables is assessed annually based on the financial position of the respective parties, the prevailing market and regulatory environment, and the Group's accounting policies.

(c) The Group has not made any allowances for bad or doubtful debts in respect of related party trade receivables.

Note 43: Disclosure pursuant to Indian Accounting Standard (Ind AS) 33, *Earnings per Share*

Particulars	31st March, 2026	31st March, 2025
Basic earnings per share		
Numerator for Earnings per share - Net profit after tax (₹ in crores) (A)	135.05	118.79
Denominator for Earnings per share - Weighted average number of equity shares outstanding during the year (Nos) (B)	12,21,14,273	11,91,99,977
Basic EPS (Amount in ₹) (A/B) (One Equity share of ₹ 10 each)	**11.06**	**9.97**
Diluted earnings per share		

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Particulars	31st March, 2026	31st March, 2025
Numerator for Earnings per share - Net profit after tax (₹ in crores)	135.05	118.79
Amount of interest debited to statement of profit and loss for convertible bonds (net of tax) (₹ in crores)	-	-
Net profit after tax adjusted for the effect of dilution (₹ in crores) (C)	135.05	118.79
Weighted average number of equity shares outstanding during the year (Nos)	12,21,14,273	11,91,99,977
Weighted average number of potential equity shares on account of FCCBs (Nos)	28,43,293	57,23,678
Weighted average number of ESOPs (Nos)	7,01,542	-
Weighted average number of Potential Warrants (Nos)	21,52,505	-
Denominator for Earnings per share - Weighted average number of Equity shares adjusted for the effect of dilution (Nos) (D)	12,78,11,613	12,49,23,655
Diluted EPS (Amount in ₹) (C/D) (One Equity share of ₹ 10 each)	**10.57**	**9.51**

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 amount are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be used on conversion of all the dilutive potential equity shares into equity shares. Employee share options are dilutive potential equity shares for the Company.

Anti Dilutive: The Company has considered the impact of all potential equity shares in the computation of diluted earnings per share. Accordingly, there are no potential equity shares that have been excluded from the calculation of diluted earnings per share on account of being anti-dilutive for the year presented.

Note 44: Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, *Operating Segments*

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Holding Company Managing Director & Interim Chief Financial Officer to make decisions about resources to be allocated to the segments and assess their performance. The Holding Company is in the business of processing and selling milk and milk products. The Holding Company Managing Director & Interim Chief Financial Officer who is identified as Chief Operating Decision Maker (CODM) reviews the performance of the Group on the basis of economic performance for Liquid Milk, Products and Curd. For the purpose of reporting the operating segments, all the three segments have been aggregated as a single reporting segment under the provisions of Ind AS 108 '*Operating Segments*' as the nature of products, the production and distribution process, class of customers and the regulatory environment is similar for all the segment. Thus, the segment revenue, segment profit, total segment assets and liabilities are all as reflected in the consolidated financial statements as at and for the years ended 31st March, 2026 and 31st March, 2025.

(a) Revenue from operations

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Within India	3,682.32	3,240.70
Outside India	81.07	87.48
Total	**3,817.50**	**3,432.21**

(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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 45: Biological assets

Disclosure pursuant to Indian Accounting Standards (Ind AS) 41 , *Agriculture*

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 31st March, 2026 (Headcount in Nos)	As at 31st March, 2025 (Headcount in Nos)
Immature cows	1,569	1,550
Mature cows	2,246	1,963
Other cows	416	327
Total	**4,231**	**3,840**
Total milk production(In Ltrs)	**1,61,26,633**	**1,44,66,886**

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.

B Fair Value Measurements (Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, *Financial Instruments - Disclosures*)

Fair value hierarchy

(₹ in crores)

Particulars	As at 31st March, 2026	As at 31st March, 2025	Fair value hierarchy
Livestock (Cow)	106.23	87.65	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.	• Estimated feeding cost/ milking cow • Estimated milk yield/ milking cow • Estimated weighted average selling price of milk / litre • Discount rate	• Estimated feeding cost/ milking cow increase by 1% would reduce the fair valuation by ₹ 7.91 crore and ₹ 5.17 crore as of 31st March, 2026 and 2025. • Estimated milk yield/ milking cow increase by 1% would increase the fair valuation by ₹ 3.62 crore and ₹ 2.47 crore as of 31st March, 2026 and 2025. • Estimated weighted average selling price of milk / litre increase by ₹ 1/ litre would increase the fair valuation by ₹ 2.70 crore and ₹ 1.9 crore as of 31st March, 2026 and 2025. • Discount rate increase by 1% would reduce the fair valuation by ₹ 6.60 crore and ₹ 3.90 crore as of 31st March, 2026 and 2025.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

The Group Subsidiary is exposed to a number of risks relating to its agricultural activities:

a) Regulatory and environmental

The Group's subsidiary is subject to various local laws and regulations, and it has established policies and procedures aimed at ensuring compliance with the same.

b) Supply and demand

The Group's subsidiary is exposed to the risk arising from fluctuations in milk prices. The Group's subsidiary does not anticipate that the price of the raw milk will decline significantly in the foreseeable future. Further, there are no available derivatives or other contracts available in the market for managing such risk.

c) Climate and other risks

The Group's subsidiary livestock is exposed to risk of adverse climatic conditions and diseases etc. The Group's subsidiary has extensive processes in place to address the risk by having an in-house veterinary doctor and dispensary, regular health checkups of livestock cattle.

Note 46: 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 13th August, 2022 for issue of 5,00,000 stock options to the key employees of the Holding Company's, which has been approved in the Holding Company's Annual General meeting dated 30th September, 2022 further ESOP 2022 was amendend in the Annual General meeting dated 27th September, 2023 by increasing the pool size from erstwhile 5,00,000 Stock Options to 25,00,000 Stock Options. Additionally as per ESOS 2015 approved by member's resolution dated 3rd April, 2015 which was further amended vide special resolution dated 16th May, 2015 and which was ratified post IPO by the shareholders in the 26th AGM held on 19th September, 2018 the balance 1,76,015 shares avaliable under ESOS 2015 got transfered to ESOP 2022 vide amended to ESOS 2015

The number of shares allocated for allotment under ESOP 2022 is 25,00,000 equity shares of ₹ 10 each (including 1,76,015 shares held by ESOP trust vide amendment to ESOS 2015. The scheme are monitered and supervised by Nomination and Remuneration Committee of the Board of Director in compliance with provsion of Securities and Exchange Board of India (Shares Based Employee Benefits & Sweat Equity) Regulation, 2021 and any circulars/notifications/guidance/frequently asked question issued thereunder as amended from time to time.

The Employee Stock Option Plan includes employees of Parag Milk Foods Limited and its subsidiaries.

According to ESOP 2022, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The fair valuation of the option have been computed as per the black scholes pricing model.

Particulars	Vest-1	Vest-2	Vest-3
Date of grant		**7th February, 2024**	
Number of Options granted	5,000	23,000	22,000
Method of settlement	Equity shares	Equity shares	Equity shares
Vesting Period from grant date	1 Years	2 Years	3 Years
Vesting %	10.00%	46.00%	44.00%
Exercise Period from the Vesting	7 Years	6 Years	5 Years
Minimum life	1 Years	2 Years	3 Years
Maximum life	8 Years	8 Years	8 Years
Expected Life	4.5 Years	5 Years	5.5 Years
Exercise Price	₹ 10	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 197.35	₹ 197.27	₹ 197.18
Weighted Average Fair Value of option as on the grant date		₹ 197.24	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Particulars	07th February, 2024
Dividend yield (%)	0.33
Historical volatility	47.87% - 50.76%
Risk-free interest rate (%)	6.98 % - 7.00%
Weighted average share price	207.70
Exercise price	10.00
Expected life of options granted in years	4.5 years - 5.5 years
Weighted average remaining contractual life of options	5.86 Years

Particulars	Vest-1	Vest-2
Date of grant	23rd July, 2024	
Number of Options granted	20,000	30,000
Method of settlement	Equity shares	Equity shares
Vesting Period from grant date	2 Years	3 Years
Vesting %	40.00%	60.00%
Exercise Period from the Vesting	5 Years	5 Years
Minimum life	2 Years	3 Years
Maximum life	7 Years	8 Years
Expected Life	4.5 Years	5.5 Years
Exercise Price	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 194.07	₹ 193.90
Weighted Average Fair Value of option as on the grant date	₹ 193.97	

Particulars	23rd July,2024
Dividend yield (%)	0.33
Historical volatility	48.77% - 49.89%
Risk-free interest rate (%)	6.82 % - 6.83 %
Weighted average share price	₹ 204.41
Exercise price	₹ 10
Expected life of options granted in years	4.5 years - 5.5 years
Weighted average remaining contractual life of options	6.31 Years

Particulars (Schedule-1)	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
Date of grant			11th November, 2024		
Number of Options granted	15,000	22,500	30,000	37,500	45,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting Period from grant date	2 Years	3 Years	4 Years	5 Years	6 Years
Vesting %	10.00%	15.00%	20.00%	25.00%	30.00%
Exercise Period from the Vesting	5 Years	5 Years	5 Years	5 Years	5 Years
Minimum life	2 Years	3 Years	4 Years	5 Years	6 Years
Maximum life	7 Years	8 Years	9 Years	10 Years	11 Years
Expected Life	4.5 Years	5.5 Years	6.5 Years	7.5 Years	8.5 Years
Exercise Price	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 202.99	₹ 202.86	₹ 202.70	₹ 202.50	₹ 202.29
Weighted Average Fair Value of option as on the grant date			₹ 202.58		

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Particulars (Schedule-1)	11th November, 2024
Dividend yield (%)	0.30
Historical volatility	45.38 % - 49.29 %
Risk-free interest rate (%)	6.66 % - 6.74 %
Weighted average share price	₹ 213.25
Exercise price	₹ 10
Expected life of options granted in years	4.5 years - 8.5 years
Weighted average remaining contractual life of options	8.12 Years

Particulars (Schedule-2)	Vest-1	Vest-2
Date of grant	11th November, 2024	
Number of Options granted	60,000	60,000
Method of settlement	Equity shares	Equity shares
Vesting Period from grant date	1 Years	2 Years
Vesting %	50.00%	50.00%
Exercise Period from the Vesting	5 Years	5 Years
Minimum life	1 Years	2 Years
Maximum life	6 Years	7 Years
Expected Life	3.5 Years	4.5 Years
Exercise Price	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 203.10	₹ 202.99
Weighted Average Fair Value of option as on the grant date	₹ 203.04	

Particulars (Schedule-2)	11th November, 2024
Dividend yield (%)	0.30
Historical volatility	44.64 % - 45.57 %
Risk-free interest rate (%)	6.63 % - 6.66 %
Weighted average share price	₹ 213.25
Exercise price	₹ 10
Expected life of options granted in years	3.5 years - 4.5 years
Weighted average remaining contractual life of options	5.62 Years

Particulars	Vest-1	Vest-2	Vest-3
Date of grant		11th November, 2025	
Number of Options granted	50,000	60,000	70,000
Method of settlement	Equity shares	Equity shares	Equity shares
Vesting Period from grant date	1 Years	2 Years	3 Years
Vesting %	27.78%	33.33%	38.89%
Exercise Period from the Vesting	7 Years	6 Years	5 Years
Minimum life	1 Years	2 Years	3 Years
Maximum life	8 Years	8 Years	8 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	₹ 301.58	₹ 301.41	₹ 301.23
Weighted Average Fair Value of option as on the grant date		₹ 301.39	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Particulars	11 November 2025
Dividend yield (%)	0.28
Historical volatility	44.94% - 45.64%
Risk-free interest rate (%)	6.12% - 6.24%
Weighted average share price	₹ 313.05
Exercise price	₹ 10.00
Expected life of options granted in years	4.5 Years - 5.5 Years
Weighted average remaining contractual life of options	7.62 Years

Particulars (Schedule-1)	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
Date of grant			21st July 2025		
Number of Options granted	5,000	5,000	5,000	5,000	5,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting Period from grant date	1 Years	2 Years	3 Years	4 Years	5 Years
Vesting %	20.00%	20.00%	20.00%	20.00%	20.00%
Exercise Period from the Vesting	9 Years	8 Years	7 Years	6 Years	5 Years
Minimum life	1 Years	2 Years	3 Years	4 Years	5 Years
Maximum life	10 Years	10 Years	10 Years	10 Years	10 Years
Expected Life	5.5 Years	6 Years	6.5 Years	7 Years	7.5 Years
Exercise Price	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 246.01	₹ 246.07	₹ 246.12	₹ 246.17	₹ 246.21
Weighted Average Fair Value of option as on the grant date			₹ 246.12		

Particulars (Schedule-1)	21st July 2025
Dividend yield (%)	0.14
Historical volatility	47.17% - 49.33%
Risk-free interest rate (%)	6.04% - 6.23%
Weighted average share price	₹ 255.17
Exercise price	₹ 10.00
Expected life of options granted in years	5.5 Years - 7.5 Years
Weighted average remaining contractual life of options	9.31 Years

Particulars (Schedule-2)	Vest-1
Date of grant	21-07-2025
Number of Options granted	1,00,000
Method of settlement	Equity shares
Vesting Period from grant date	1 Years
Vesting %	100.00%
Exercise Period from the Vesting	5 Years
Minimum life	1 Years
Maximum life	6 Years
Expected Life	3.5 Years
Exercise Price	₹ 10
Fair value using Black Scholes model on grant date	₹ 245.74
Weighted Average Fair Value of option as on the grant date	₹ 245.74

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Particulars (Schedule-2)	21st July 2025
Dividend yield (%)	0.14
Historical volatility	45.70%
Risk-free interest rate (%)	5.82%
Weighted average share price	₹ 255.17
Exercise price	₹ 10
Expected life of options granted in years	3.5 Years
Weighted average remaining contractual life of options	5.31 Years

Particulars (Schedule-3)	Vest-1	Vest-2
Date of grant	21st July 2025	
Number of Options granted	50,000	50,000
Method of settlement	Equity shares	Equity shares
Vesting Period from grant date	2 Years	3 Years
Vesting %	50.00%	50.00%
Exercise Period from the Vesting	6 Years	5 Years
Minimum life	2 Years	3 Years
Maximum life	8 Years	8 Years
Expected Life	5 Years	5.5 Years
Exercise Price	₹ 10	₹ 10
Fair value using Black Scholes model on grant date	₹ 245.94	₹ 246.01
Weighted Average Fair Value of option as on the grant date	₹ 245.98	

Particulars (Schedule-3)	21st July 2025
Dividend yield (%)	0.14
Historical volatility	45.78% - 48.46%
Risk-free interest rate (%)	5.98% - 6.04%
Weighted average share price	₹ 255.17
Exercise price	₹ 10
Expected life of options granted in years	5 Years - 5.5 Years
Weighted average remaining contractual life of options	7.31 Years

The details of activity under ESOP 2022 are summarized below:

(₹ in crores)

Particulars	31st March, 2026		31st March, 2025	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	4,40,000	10	-	-
Granted during the year	4,05,000	10	4,55,000	10
Forfeited during the year	95,000	10	10,000	10
Exercised during the year	70,000	10	5,000	10
Expired during the year	-	-	-	-
Outstanding at the end of the year:	6,80,000	10	4,40,000	10
Exercisable at the end of the year	5,000	10	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

The vesting pattern of the ESOP 2022 is provided as below:

Year of vesting	31st March, 2026	31st March, 2025
	No. of options	No. of options
Financial year 2025-26	5,000	83,000
Financial year 2026-27	2,60,000	1,24,500
Financial year 2027-28	1,67,500	63,750
Financial year 2028-29	1,55,000	45,000
Financial year 2029-30	42,500	56,250
Financial year 2030-31	50,000	67,500

Weighted average share price for options exercised during the year ended 31st March, 2026 is ₹ 248.37 (31st March, 2025: ₹ 188.87).

For the options outstanding as at 31st March, 2026, the exercise price is ₹ 10.00 (31st March, 2025: ₹ 10.00).

Stock price: - The underlying price has been considered as on the grant date being based on the closing price on the National Stock Exchange {NSE).

Exercise price: - The price at which ESOP can be exercised. The exercise price is ₹ 10.00.

Exercise Period: - This is the period for which the Group Company expects the options to be alive. the exercise period will be 5 years from the date of last vesting of Stock Options.

Vesting condition: - Time based vesting based on fulfilment of time mentioned in the scheme.

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 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 options.

Dividend Yield: - The dividend yield for the year is derived by dividing the dividend for the period by the current market price. . The Group Company has dividend track record therefore, we have considered the dividend yield based on the past 5 years dividends.

Historical Volatility: - 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 of time. 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 tends 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.

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 Holding Company under the 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 an option, after the lapse of which no right shall accrue to the employee), we have calculated expected life of options as an average of Minimum life and Maximum life.

Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in crores)

Particulars	31st March, 2026	31st March, 2025
Employee option plans	5.24	0.34

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 47: Statement of net assets and Profit or Loss attributable to owners and non controlling Interest

(₹ in crores)

Name of Entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income or (Expenses)		Share in total comprehensive income or (Expenses)	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or (loss)	Amount ₹ in crores	As % of consolidated other comprehensive Income / (Expenses)	Amount ₹ in crores	As % of consolidated Comprehensive Income or (Expenses)	Amount ₹ in crores
Holding Company								
Parag Milk Foods Limited	102.56%	1,290.78	111.72%	150.88	103.45%	(0.30)	111.74%	150.58
Subsidiary Company (Indian)								
Bhagyalaxmi Dairy Farms Private Limited	5.72%	72.01	-11.72%	(15.83)	-3.45%	0.01	-11.74%	(15.82)
Adjustments arising out of consolidations	-8.28%	(104.23)	0.00%	-	0.00%	-	0.00%	-
Total Net assets / Net profit or (loss) of Group	**100.00%**	**1,258.55**	**100.00%**	**135.05**	**100.00%**	**(0.29)**	**100.00%**	**134.76**

Note 48: 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 31st March, 2026	Proportion of direct ownership as on 31st March, 2025
Bhagyalaxmi Dairy Farms Private Limited	India	100%	100%

Note 49:

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year-end, the Group has reviewed all such contracts and confirmed that no provision is required to be created under any law / accounting standard towards any foreseeable loss.

Note 50: 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, and the quarterly statements filed by the group with banks for financial year 2025-26 and 2024-25 are in agreement with the books of account.

Note 51 : Audit Trail

The Group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to the accounting software. Further, no instance of audit trail feature being tampered with was noted in respect of the software where audit trail has been enabled & the audit trail has been preserved by the group as per the statutory requirements for record retention.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 52: Exceptional Item

Exceptional Item of ₹ 5.72 crore represents statutory impact of new Labour Codes. On 21st November, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the Guidance Note provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Group has presented such incremental impact as 'Statutory impact of new Labour Codes' under Exceptional items. Upon notification of the relevant Rules under the Labour Codes, the Group will recognise any additional impact, if applicable.

Note 53: Events after the reporting period

a) The Board of Directors in their meeting on 7th May, 2026 recommended a final dividend of ₹ 1.10 (One rupee ten paise only) per equity share for the financial year ended 31st March, 2026. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹ 13.75 crore. It is not recognised as a liability as at 31st March, 2026.

b) No significant subsequent events have been observed which may require adjustments to the financial statements.

Note 54:

Figures of the previous year have been regrouped wherever necessary.The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000.

Note 55:

Note No.1 to 55 form integral part of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm Registration No. 109982W
by the hand of

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

Edwin Paul Augustine
Partner
Membership No. 043385

Devendra Shah
Chairman
DIN: 01127319

Pritam Shah
Managing Director & Interim Chief Financial Officer
DIN: 01127247

Virendra Varma
Company Secretary & Compliance Officer
Membership No. F10520

Place: Mumbai
Date: 07th May, 2026

Place: Mumbai
Date: 07th May, 2026

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 Hsg. Soc.,
Shivaji Nagar, Pune - 411 016.

Corporate Office: 10th Floor, Nirmal Building, Nariman Point, Mumbai - 400 021.

Tel. No. 022-43005555 **Website:** www.paragmilkfoods.com **Email:** investors@parag.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **34th Annual General Meeting** ('AGM' / 'Meeting') of the Members of Parag Milk Foods Limited ('Company') will be held on Tuesday, September 29, 2026 at 4:30 P.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1 - Adoption of Financial Statements

To receive, consider and adopt:

a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the reports of Board of Directors and the Auditors thereon; and

b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the report of the Auditors thereon.

Item No. 2 - Declaration of Dividend

To declare Dividend on equity shares of the Company at the rate of 11% i.e. ₹ 1.10/- (Rupee one and paise ten only) per equity share for the financial year ended March 31, 2026.

Item No. 3 - Re-appointment of Mr. Devendra Shah (DIN: 01127319), a Director liable to retire by rotation

To re-appoint Mr. Devendra Prakash Shah (DIN: 01127319) as a Director, 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 2026-27

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 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable 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-imbursement of out of pocket expenses incurred in connection with the performance of their duties, to be paid to M/s. Harshad S. Deshpande & Associates, Cost Accountants (Firm Registration No.00378), who have been, appointed by the Board of Directors based on the recommendation of the Audit Committee, as the Cost Auditors to conduct audit of cost records of the Company for the financial year ending March 31, 2027, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) and / or any of the Executive Directors or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

Item No. 5 - Approval for remuneration of Mr. Poojan Shah (General Manager - Business Operations) appointed to an office or place of profit

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 (3)(b) of the Companies (Meeting of Board and its Powers) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of Articles of Association of the Company and pursuant to the approval of the Board of Directors, the approval of the Members be and is hereby accorded to hold and continue to hold an office or place of profit in the Company by

Mr. Poojan Shah as General Manager - Business Operations, on a total remuneration exceeding ₹2,50,000 (Rupees Two Lakh Fifty Thousand only) per month subject to maximum remuneration upto ₹70,00,000 (Rupees Seventy Lakh only) per annum with effect from April 1, 2026.

RESOLVED FURTHER THAT the approval of the Members be and is hereby accorded to authorise the Board of Directors to review and alter, from time to time, the terms and conditions of the said appointment including the designation in the Company or in Subsidiary Company/(ies) and remuneration within, the overall limits approved by the Members.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) and / or any of the Executive Directors or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

Item No. 6 - Approval for remuneration of Mr. Stavan Shah (General Manager - International & Ingredient Business) appointed to an office or place of profit

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 (3)(b) of the Companies (Meeting of Board and its Powers) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of Articles of Association of the Company and pursuant to the approval of the Board of Directors, the approval of the Members be and is hereby accorded to hold and continue to hold an office or place of profit in the Company by Mr. Stavan Shah as General Manager - International & Ingredient Business, on a total remuneration exceeding ₹2,50,000 (Rupees Two Lakh Fifty Thousand only) per month subject to maximum remuneration upto ₹70,00,000 (Rupees Seventy Lakh only) per annum with effect from April 1, 2026.

RESOLVED FURTHER THAT the approval of the Members be and is hereby accorded to authorise the Board of Directors to review and alter, from time to time, the terms and conditions of the said appointment including the designation in the Company or in Subsidiary Company/(ies) and remuneration within, the overall limits approved by the Members.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) and / or any of the Executive Directors or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

By order of the **Board of Directors**
For **Parag Milk Foods Limited**

Devendra Shah
Executive Chairman
DIN: 01127319

Mumbai
May 7, 2026

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 03/2025 dated September 22, 2025 (collectively referred to as 'MCA Circulars') has permitted the holding of the Annual General Meeting through Video Conferencing / Other Audio Visual Means, without the physical presence of the Members at a common venue. The Meeting is being held through VC / OAVM in accordance with provisions of MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Accordingly, the registered office of the Company shall be deemed to be the venue for the AGM.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), in respect of businesses to be transacted at the 34th AGM, as set out under Item Nos. 4, 5 and 6 above and the relevant details of the Director as mentioned under Item Nos. 3 above as required by Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, are annexed hereto.

3. The detailed procedure for participating at the AGM 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 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. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under 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 the Listing Regulations (as amended), and the MCA Circulars, latest being September 22, 2025, 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. The results of the electronic voting shall be declared to the Stock Exchanges within 2 working days after the conclusion of AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.paragmilkfoods.com and on the website of NSDL www.evoting@nsdl.com, immediately after declaration of the result and shall also be communicated to the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

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/ Beneficial Owners of the Company, as of the cut-off date, will be entitled to vote at the Meeting, provided that such shareholder has not cast his / her votes by remote e-voting earlier.

9. In terms of Section 152 of the Act, Mr. Devendra Shah is liable to retire by rotation at this AGM and being eligible, offers himself for re-appointment.

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.

13. Pursuant to provisions of the Listing Regulations, the Company is maintaining an E-mail ID: investors@parag.com exclusively for quick redressal of members / investors grievances.

14. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). In view of this, Members / Claimants are requested to claim their unpaid / unclaimed dividends from Financial Year ('FY') 2018-19 till date, on or before October 31, 2026. Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company within the stipulated timeline. For details, please refer to Report on Corporate Governance, included in Integrated Annual Report for FY 2025-26. It

may be noted that once such unclaimed dividends are transferred on expiry of seven years to the IEPF, no claim shall lie against the Company in respect thereof.

PROCESS FOR REGISTRATION OF E-MAIL ID FOR OBTAINING COPY OF INTEGRATED ANNUAL REPORT

15. In accordance with the MCA circulars and the Listing Regulations, the Company is sending this AGM Notice along with the Integrated Annual Report for FY 2025-26 in electronic form only to those Members whose e-mail address ('e-mail ID') is registered with the Company / Depositories. The Company shall send the physical copy of the Integrated Annual Report for FY 2025-26 only to those Members who specifically request for the same from their registered e-mail ID at investors@parag.com mentioning their DP ID and Client ID.

16. The Notice of AGM along with Integrated Annual Report for FY 2025-26, 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 and NSE at www.bseindia.com and www.nseindia.com respectively and this AGM Notice is also available on the website of NSDL (agency for providing the Remote e-voting facility) i.e. www.evoting.nsdl.com.

17. In accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to Members whose e-mail IDs are not registered with the Depository Participant(s) providing the weblink, including the exact path and QR Code for accessing the Notice of 34th AGM and the Integrated Annual Report for the FY 2025-26.

18. Members are requested to intimate any changes pertaining to their name, address, registered e-mail ID, bank details, NECS, mandates, nominations, power of attorney, etc. to their Depository Participant ('DP'). Changes intimated to the DP will be automatically reflected in the Company's records.

19. The Company has fixed Tuesday, September 22, 2026 (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, 2026;

    iii) Attendance at the AGM; and

    iv) Right to speak & ask queries at the AGM.

DIVIDEND RELATED INFORMATION

20. The Board of Directors of the Company at its Meeting held on May 7, 2026, inter- alia, approved and recommended payment of dividend of ₹1.10/- (Rupee one and ten 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, 2026 ('Dividend'), subject to the approval of shareholders at the ensuing AGM.

21. Dividend for the financial year ended March 31, 2026, if approved by the Members at the ensuing AGM, will be paid within 30 days from the date of AGM to those members whose names appear in the Register of Beneficial Owners maintained by the Depositories as on the Record Date.

22. Members may note that pursuant to the amendments made under the Listing Regulations, payment of dividend shall be processed in electronic mode only, and payment through dividend warrants or cheques has been discontinued. Members are therefore requested to update their bank details.

23. Members are hereby informed that the bank particulars registered with Registrar & Share Transfer Agent ('RTA' / 'Registrar') or their respective DP, as the case may be, will be considered by the Company for payment of dividend. Members are requested to update their Bank account details if not already registered, as mandated by the SEBI.

24. 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 are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

TDS ON DIVIDEND

25. As per the Income Tax Act, 2025, dividends paid or distributed by the Company 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, 2026 and the amendments thereof.

26. A separate e-mail communication would be sent to the Members after the date of this Notice informing the relevant procedure to be adopted by them /documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents are available on the Company's website at https://www.paragmilkfoods.com/investors.php.

27. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO INTEGRATED ANNUAL REPORT FY 2025-26

28. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by sending request along with their query in advance from their registered e-mail address mentioning name, DP ID & Client ID and mobile no. by emailing at cs@parag.com from 9.00 A.M. (IST) on Tuesday, September 22, 2026 till 5.00 P.M. (IST) on Thursday, September 24, 2026. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.

29. The Company will select the speakers on first come first serve basis. The Company reserves the right to restrict the number of questions & number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Saturday, September 26, 2026 at 09:00 A.M. (IST) and ends on Monday, September 28, 2026 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 the cut-off date i.e. Tuesday, September 22, 2026, 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 Tuesday, September 22, 2026.

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 e-mail ID in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For One Time Password ('OTP') based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, Permanent Account Number ('PAN') issued by Income Tax Authority of India, Verification Code and generate OTP. Enter the OTP received on registered e-mail ID / mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see the e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to the **e-voting website of NSDL** for casting your vote during the remote e-voting period or joining virtual Meeting and e-voting during the Meeting. 2. Existing **IDeAS** users can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "**Access to e-Voting**" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of **NSDL** for casting your vote during the remote e-voting period or joining virtual Meeting & voting during the Meeting. 3. 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 4. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "**Login**" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see the e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to **e-voting website of NSDL** for casting your vote during the remote e-voting period or joining virtual Meeting and voting during the Meeting.

Type of shareholders	Login Method
	5. Shareholders / Members can also download **NSDL** Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited ('CDSL')	1. 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 my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting. Additionally, there is 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. 3. 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. 4. 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 evoting 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	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. Upon logging in, you will be able to see the e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL, Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting & voting during the Meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID / Forgot Password option available at the abovementioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Type of shareholders	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. 1800-21-09911

(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 eservices 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 e-mail ID is registered in your demat account, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. the Portable Document Format ('PDF') file. Open the PDF file. The password to open the PDF file is your 8 digit Client ID in case the shares are held with NSDL and last 8 digits of Client ID in case the shares are held with CDSL. The PDF file contains your 'User ID' and your 'initial password'.

      (ii) If your e-mail ID is not registered, please follow steps mentioned below under the heading **"Process for those shareholders whose e-mail IDs are not registered........"**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details / Password?**" (For shareholders holding shares with NSDL) option available on www.evoting.nsdl.com under "**Shareholder / Member / Creditor**" tab. Click on "**Forgot Password**" (For shareholders holding shares with CDSL) option available on www.evotingindia.com under "**Shareholders / Members**" tab.

   b) If you are still unable to get the password by above mentioned option, you can send a request at evoting@nsdl.com mentioning your complete 16 digit demat account number, your PAN, your name and your registered address, etc. from your registered e-mail ID.

   c) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL as mentioned in detail above.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join the Meeting on NSDL e-voting system

How to cast your vote electronically and join the Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and the Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the Meeting. For joining virtual Meeting, you need to click on "VC / OAVM" link placed under "Join Meeting" tab.

3. Now you are ready for e-voting as the Voting page opens.

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. Bharat R. Upadhyay (FCS No. 5436 and CP No. 4457), failing him, Mr. Bhaskar Upadhyay (FCS No. 8663 and CP No. 9625) from M/s. N L Bhatia & Associates, Practicing Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

2. Corporates / Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) who are Members of the Company, are encouraged to attend and vote at the AGM through VC / OAVM facility. Corporate / Institutional Investors who are intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM and to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at bhaskar@nlba.in with a copy marked to evoting@nsdl.com and cs@parag.com. The said Corporates / Institutional shareholders can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" option available on www.evoting.nsdl.com to reset the password.

4. In case of any queries, you may refer the Frequently Asked Questions ('FAQs') for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request to Mr. Sagar S. Gudhate, Senior Manager at evoting@nsdl.com.

Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring user ID and password and registration of e mail IDs for e-voting on the resolutions set out in this Notice:

1. Members are requested to provide DP ID & Client ID [i.e. 16 digit DPID + Client ID (NSDL) or 16 digit beneficiary ID (CDSL)], Name, Client Master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@parag.com. If you are an Individual Shareholder, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting and joining virtual Meeting for Individual shareholders holding securities in demat mode.

2. Alternatively, shareholder / members may send a request to evoting@nsdl.com for procuring user ID and password for e-voting by providing above mentioned documents.

3. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM:

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:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above under the heading "**Access to NSDL e-voting system**". After successful login, you can see link of "VC / OAVM" placed under "**Join Meeting**" tab against company name. You are requested to click on VC / OAVM link placed under Join Meeting tab. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

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 Device or Tablet or through Laptop connected via Mobile Hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views / have questions may send their questions in advance from their registered e-mail ID, mentioning their name, demat account number, mobile number at investors@parag.com. The same will be replied by the Company suitably.

6. For convenience of Members and proper conduct of AGM, Members can join the AGM in the VC / OAVM mode 15 (fifteen) minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('the Act')

This Explanatory Statement is annexed to the Notice convening the 34th Annual General Meeting to be held on Tuesday, September 29, 2026. The following Explanatory Statement sets out all the material facts relating to the Item Nos. 4 to 6, of the accompanying Notice dated May 7, 2026:

Item No. 4 - Ratification of Remuneration to Cost Auditors for FY 2026-27

The Board in its Meeting held on May 7, 2026, on the recommendation of the Audit Committee, has approved the appointment of M/s. Harshad S. Deshpande & Associates, Cost Accountants (Firm Registration No.00378) as the Cost Auditors, to conduct the audit of cost record of the Company for the FY 2026-27 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 is required 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, 2027, 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.

Items No. 5 and 6:

Approval for remuneration of Mr. Poojan Shah (General Manager - Business Operations) and Mr. Stavan Shah (General Manager - International & Ingredient Business), both, appointed to an office or place of profit

In accordance with the provision of Section 188(1)(f) of the Companies Act, 2013, read with Rule 15(3)(b) of the Companies (Meeting Board and its Powers) Rules, 2014, appointment of a related party to any office or place of profit in the Company at a monthly remuneration exceeding ₹ 2.50 Lakh requires prior approval from Members by means of an Ordinary Resolution.

Mr. Poojan Shah and Mr. Stavan Shah are sons of Mr. Devendra Shah and Mr. Pritam Shah, respectively, who are Executive Directors and Promoters of the Company. Further, Mr. Poojan Shah is also brother of Ms. Akshali Shah, Executive Director of the Company and are therefore classified as related parties within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

Brief Profile of Mr. Poojan Shah

Mr. Poojan Shah is a highly accomplished and results-driven business leader with extensive experience in managing large-scale operations, driving process excellence, and leading organizational transformation initiatives. He is currently serving as General Manager – Business Operations, wherein he has consistently demonstrated the ability to optimize operational efficiencies, enhance profitability, and successfully execute strategic business objectives through effective leadership, cross-functional collaboration, and data-driven decision-making.

Mr. Shah possesses a proven track record of building and nurturing high-performing teams, fostering a culture of continuous improvement, and delivering sustainable business growth in dynamic and competitive environments. His strong strategic acumen, coupled with his commitment to operational excellence, has enabled organizations under his leadership to achieve improved performance, enhanced stakeholder value, and long-term success.

He is recognized for his ability to navigate complex business challenges, drive innovation, and implement transformative initiatives that strengthen organizational capabilities and support sustainable growth.

Brief Profile of Mr. Stavan Shah

Mr. Stavan Shah is a dynamic business leader with extensive experience in international business development, export management, and driving growth in the ingredients business. He is currently serving as General Manager – International & Ingredient Business, wherein he is playing a pivotal role in expanding global market presence, strengthening strategic customer relationships, and delivering sustainable revenue and profitability growth across diverse international markets.

With a strong understanding of global trade dynamics and market trends, Mr. Shah has been instrumental in identifying emerging business opportunities, formulating growth strategies, and enhancing the organization's competitive position. He possesses proven expertise in leading cross-functional teams, negotiating complex commercial agreements, and building long-term partnerships with customers, suppliers, and other key stakeholders. Mr. Shah is recognized for his strategic vision, customer-centric approach, and ability to drive operational excellence in highly competitive and fastevolving international business environments. His leadership and execution capabilities have consistently contributed to business expansion, improved operational performance, and sustainable value creation for the organization.

The Board of Directors of the Company, at its meeting held on May 7, 2026, based on the recommendation of the Audit Committee, approved the proposal of remuneration to Mr. Poojan Shah, General Manger - Business Operations, and Mr. Stavan Shah, General Manger - International & Ingredient Business.

Considering their roles, responsibilities, performance, and prevailing industry benchmarks, the Board has proposed to enhance their remuneration upto ₹70,00,000 (Rupees Seventy Lakhs only) per annum for each of them with effect from April 1, 2026. Enhanced remuneration will be paid to both appointees once approved by the Members. Both the transactions are in the ordinary course of business and at arm's length basis.

Given below is a statement of disclosures as required under Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules 2014:

Particulars	Details	Details
Name of the Related Party	Mr. Poojan Shah	Mr. Stavan Shah
Name of the Directors or Key Managerial Personnel who is related	Mr. Devendra Shah and Ms. Akshali Shah, Executive Directors	Mr. Pritam Shah, Managing Director
Nature of relationship	Son of Mr. Devendra Shah and Brother of Ms. Akshali Shah	Son of Mr. Pritam Shah
Nature, material terms, monetary value and particulars of the contract or arrangement	1. Employment Contract 2. At a maximum remuneration upto ₹ 70,00,000/- (Rupees Seventy Lakh only) per annum 3. Either party to the contract of service shall be entitled to change the terms and conditions of contract with mutual consent.	1. Employment Contract 2. At a maximum remuneration upto ₹ 70,00,000/- (Rupees Seventy Lakh only) per annum 3. Either party to the contract of service shall be entitled to change the terms and conditions of contract with mutual consent.
Any other information relevant or important for the Members to take a decision on the proposed resolution	Mr. Poojan Shah is an experienced business professional with expertise in business operations, process improvement, and strategic execution, currently serving as General Manager - Business Operations. He has demonstrated strong capabilities in enhancing operational efficiency, driving transformation initiatives, and delivering sustainable business growth through effective leadership.	Mr. Stavan Shah is a seasoned professional with extensive experience in managing international business, with a focus on business expansion, market development, and commercial growth. In his current role, he has contributed significantly to strengthening global presence, fostering key business relationships, and driving sustainable growth.

The disclosure required under the Listing Regulations read with relevant SEBI circulars and Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" are not applicable as the value of individual transaction does not exceed the prescribed limit.

The Board recommends resolution set forth in Item No. 5 and 6 for the approval of the Members as an Ordinary Resolution.

For Item No. 5 none of the Directors, Key Managerial Personnel or their relatives, other than Mr. Devendra Shah, Executive Chairman and Ms. Akshali Shah, Executive Director and their relatives is in any way concerned or interested in the proposed Ordinary Resolution set out at the Notice for approval by the Members.

For Item No. 6 none of the Directors, Key Managerial Personnel or their relatives, other than Mr. Mr. Pritam Shah, Managing director and his relatives is in any way concerned or interested in the proposed Ordinary Resolution set out at the Notice for approval by the Members.

By the Order of **Board of Directors**
For **Parag Milk Foods Limited**

Devendra Shah
Executive Chairman
DIN: 01127319

Mumbai
May 7, 2026

ANNEXURE 1

Brief resume of Director seeking Re-appointment at the 34th 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. Devendra Shah
Director Identification No.	01127319
Age	61 years
Date of first appointment on Board	December 29, 1992
Relationship with Director and Key Managerial Personnel	Brother of Mr. Pritam Shah (Managing Director & Interim Chief Financial Officer) and Father of Ms. Akshali Shah (Executive Director)
Qualification	Bachelor of Commerce
Brief Resume, Experience and Nature of expertise in specific functional areas	Mr. Shah has over 30 years of rich experience in Dairy Industry. His visionary approach has transformed the Company from milk to a dairy FMCG Company to nutrition provider. The Company has grown consistently under the leadership of Mr. Shah. He brings enthusiasm and innovation to business and has enhanced the Company's revenue exponentially. His focus on product quality and his understanding on consumer needs, has shaped the Company to become a health and nutrition company that provides innovative protein solutions across the spectrum.
Shareholding in the Company	2,02,06,400 Equity Shares and 30,00,000 convertible share warrants
Directorship held in other Listed Companies along with listed entities from which the person has resigned in the past 3 years	NIL
Directorship other than Listed Companies	1. Bhagyalaxmi Dairy Farms Private Limited 2. Parag Foods Middle East FZE 3. Awasari Infracon Private Limited
Chairmanship / Membership of Committees of other Boards	NIL
No. of Board Meetings of Company attended during FY 2025-26	5
Terms and conditions of appointment and re-appointment	As per Nomination and Remuneration Policy of the Company as displayed on the Company's website at www.paragmilkfoods.com. He is being re - appointed as an Executive Director, liable to retire by rotation.
Remuneration sought to be paid	Remuneration as may be approved by the Board of Directors / shareholders, from time to time, in accordance with the applicable provisions of law. The detailed criteria is available in the Nomination and Remuneration Policy of the Company.
Remuneration last drawn (during the year)	The details pertaining to the remuneration is provided in the Corporate Governance Report section of the Integrated Annual Report 2025-26.
In case of the Independent Director, skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable.