

## Independent Auditor's Report

### To the Members of Creamline Dairy Products Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Creamline Dairy Products Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 financial statements give the information required by the Companies Act, 2013 ("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 31 March 2024, and its profit and other comprehensive income, 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 SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 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 on the financial statements.

#### Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue Recognition

See Note 2(g) to financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognizes revenue from sale of goods when control of the goods has been transferred and when there are no longer any unfulfilled obligations to the customer and the amount of revenue can be measured reliably and recovery of the consideration is probable. Depending on the contractual terms with the customers, this can be either at the time of	Our audit procedures included following: <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company's accounting policies in respect of revenue recognition by comparing with applicable accounting standards;</li> <li>Evaluating the design, testing the implementation and operating effectiveness of</li> </ul>

Registered Office:

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<p>dispatch or delivery of goods.</p> <p>We have identified the existence of revenue recognition from sale of products as a key audit matter. The Company focuses on revenue as key performance measure, which could create an incentive for revenue to be recognized before control has been transferred.</p>	<p>the key internal controls including general information and technology (IT) controls and key IT application controls over recognition of revenue on selected samples of transactions;</p> <ul style="list-style-type: none"> <li>• Performing substantive testing by selecting samples using statistical sampling of revenue transactions recorded during the year, by verifying the underlying documents, which included sales invoices, dispatch documents and proof of delivery/ trip sheets, depending on the terms of contracts with customer.</li> <li>• We carried out analytical procedures on revenue recognised during the year to identify unusual variances.</li> <li>• We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period</li> <li>• Performed overall reconciliation of cash and debtors to sales recognized during the year.</li> <li>• Examining journal entries (using statistical sampling) posted to revenue to identify unusual or irregular items.</li> <li>• Evaluating adequacy of disclosures given in Note 26 to the financial statements.</li> </ul>
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Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report(s) thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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



## Independent Auditor's Report (Continued)

### Creamline Dairy Products Limited

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the



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disclosures, and whether the 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 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 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 34 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in





**Independent Auditor's Report (Continued)**

**Creamline Dairy Products Limited**

the Note 47 to the financial statements, 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(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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which, along with access management tools, as applicable, 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 softwares. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration [paid/payable] by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration [paid/payable] to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Rahul Choudhary**

*Partner*

Place: Mumbai

Date: 23 April 2024

Membership No.: 408408

ICAI UDIN:24408408BKGPUJ6188

**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2024**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Property, Plant and Equipment (Freehold land)	6.57	K. Bhasker Reddy	Promoter and Director	Since June 2006 30	In the process of being transferred in the name of the Company
Property, Plant and Equipment (Freehold land)	193.67	Nagavalli Milkline Private Limited	No	Since 1 April 2019	Received as a part of merger of Nagavalli Milkline Private Limited and is in the process



**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2024 (Continued)**

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
					of being transferred in the name of the Company

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.



**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2024 (Continued)**

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Rs in lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Tax	824.81	AY 2017-18	Commissioner of Income Tax (Appeals), Hyderabad	None
Income Tax Act, 1961	Tax	38.21	AY 2005-06	High Court of Andhra Pradesh and Telangana	None
Income Tax Act, 1961	Tax	41.36	AY 2016-17	Commissioner of Income Tax (Appeals), Telangana	None
Income Tax Act, 1961	Tax	27.11	AY 2018-19	Commissioner of Income Tax (Appeals),	None





**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2024 (Continued)**

Name of the statute	Nature of the dues	Amount Rs in lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
				Telangana	
Income Tax Act, 1961	Tax	1429.56	AY 2016-17	High Court of Telangana	None
Income Tax Act, 1961	Tax	12.75	AY 2008-09	Assessing Officer, Hyderabad	None
Income Tax Act, 1961	Tax	22.13	AY 1995-2001	Assessing Officer, Hyderabad	None
APVAT Act, 2005	Tax	20.07	FY 2004-05	High Court of Andhra Pradesh and Telangana	None
APVAT Act, 2005	Tax	8.66	FY 2005-06	High Court of Andhra Pradesh and Telangana	None
APVAT Act, 2005	Tax	15.95	FY 2014-16	Deputy Commissioner (Appellate) Vijayawada	None
APVAT Act, 2005	Tax	17.39	FY 2016-17, 2017-18 (Up to June)	Deputy Commissioner (Appellate) Vijayawada	None
APVAT Act, 2005	Tax	0.93	AY 2015-18	Assistant Commissioner (Commercial Taxes) Eluru	None
APVAT Act, 2005	Tax	15.26	AY 2016-18	Deputy Commissioner (Appellate) Vijayawada	None
AP GST Act, 2017	Tax	7.94	FY 2017-2019	Deputy Commissioner (St), Eluru Circle: Eluru	None
Andhra Pradesh Tax on Entry of	Tax	2.97	FY 2014-15	Appellate Authority Vijayawada	None



**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2024 (Continued)**

Name of the statute	Nature of the dues	Amount Rs in lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods into Local Areas Act, 2001					
SGST Act, 2017	Tax	10.00	FY 2021-22	Madras High Court	None
Telangana (Agriculture produce & Livestock) Markets Act, 1966	Tax	12.11	FY 2020-21	Selection Grade Secretary, Agricultural Market Committee, Bowenpally	None
SGST Act, 2017	Tax	340.27	FY 2017-22	Appellate Authority-Chennai	None
Goods and Services Act, 2017	Tax	4.36	FY 2018-19	Commercial Tax Officer, Chennai	None
Goods and Services Act, 2017	Tax	67.09	FY 2017-18	Deputy Commissioner, Chennai	None

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.



**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2024 (Continued)**

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act). Accordingly clause 3(ix)(f) is not applicable.
- (i) (a) The Company has not raised any moneys by way of initial public offer or further public offer. In our opinion and according to the information and explanation given to us, the debt instrument (Commercial paper and Non convertible debt securities) raised by the Company, have been applied for during the year for the purpose for which they are raised.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (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 our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are 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, clause 3(xvi)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current financial year; however, Rs.2,507.27



**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2024 (Continued)**

lakhs was incurred in the previous year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248WW-100022



**Rahul Choudhary**

*Partner*

Place: Mumbai

Date: 23 April 2024

Membership No.: 408408

ICAI UDIN:24408408BKGPUJ6188

**Annexure B to the Independent Auditor's Report on the financial statements of Creamline Dairy Products Limited for the year ended 31 March 2024**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Creamline Dairy Products Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial





**Annexure B to the Independent Auditor's Report on the financial statements of Creamline Dairy Products Limited for the year ended 31 March 2024 (Continued)**

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248WW-100022



**Rahul Choudhary**

*Partner*

Place: Mumbai

Date: 23 April 2024

Membership No.: 408408

ICAI UDIN:24408408BKGPUJ6188

**Creamline Dairy Products Limited**  
**CIN: U15201TG1986PLC006912**  
**Balance sheet as at 31 March 2024**  
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Notes	As at	
		31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	25,228.31	25,571.18
Capital work-in-progress	4	318.61	186.11
Other intangible assets	5	73.73	67.82
Right of use asset	38	150.74	213.82
<b>Financial assets</b>			
Other financial asset	6	425.38	378.13
Deferred tax assets (Net)	7	2,051.69	2,337.67
Other tax assets (net)		657.69	641.79
Other non-current assets	8	495.40	297.78
<b>Total non-current assets</b>		<b>29,401.55</b>	<b>29,694.30</b>
<b>Current assets</b>			
Inventories	9	16,152.41	11,918.79
<b>Financial assets</b>			
Trade receivables	10	1,608.30	1,754.73
Cash and cash equivalents	11	373.43	963.14
Bank balances other than cash and cash equivalents	12	76.23	76.62
Current Investments	13	800.74	-
Other current financial assets	14	71.55	89.52
Other current assets	15	756.31	818.73
<b>Total current assets</b>		<b>19,838.97</b>	<b>15,621.53</b>
<b>Total assets</b>		<b>49,240.52</b>	<b>45,315.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,132.47	1,132.47
Other equity	17	10,578.00	9,821.60
<b>Total equity</b>		<b>11,710.47</b>	<b>10,954.07</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	18	16,896.28	7,113.91
(ii) Lease liabilities	38	109.27	132.23
(iii) Other financial liabilities	23	175.00	88.00
Provisions	19	282.32	241.81
Other non-current liabilities	20	124.39	133.73
<b>Total non-current liabilities</b>		<b>17,587.26</b>	<b>7,709.68</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	21	7,264.28	15,744.54
(ii) Lease liabilities	38	74.16	109.32
(iii) Trade payables	22		
a) Total outstanding dues of micro enterprise and small enterprises and		632.63	633.00
b) Total outstanding dues of other than micro enterprises and small enterprises		6,793.27	5,705.84
(iv) Other financial liabilities	23	4,032.28	3,380.48
Other current liabilities	24	831.34	784.35
Provisions	25	314.83	294.55
<b>Total current liabilities</b>		<b>19,942.79</b>	<b>26,652.08</b>
<b>Total liabilities</b>		<b>37,530.05</b>	<b>34,361.76</b>
<b>Total Equity and liabilities</b>		<b>49,240.52</b>	<b>45,315.83</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



**Rahul Choudhary**

Partner

Membership No. 498408

Place: Mumbai

for and on behalf of the Board of Directors of

**Creamline Dairy Products Limited**

CIN: U15201TG 986PLC006912



**K Bhasker Reddy**

Managing Director

DIN: 00014291

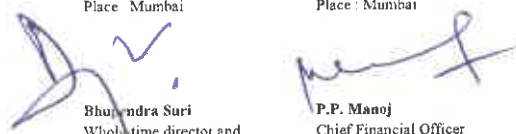
Place: Mumbai

**D.Chandra Shekher Reddy**

Executive Director

DIN: 00063691

Place: Mumbai



**Bhupendra Suri**

Whole-time director and

Chief Executive Officer

DIN: 0915926

Place: Mumbai

**P.P. Manoj**

Chief Financial Officer

Place: Mumbai



**Neha Poojary**

Company Secretary

Place: Mumbai



Date: 23 April 2024

**Creamline Dairy Products Limited**  
**CIN: U15201TG1986PLC006912**  
**Statement of profit and loss for the year ended 31 March 2024**  
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Notes	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue from operations	26	1,57,286.16	1,50,113.16
Other income	27	382.95	527.08
<b>Total income (I)</b>		<b>1,57,669.11</b>	<b>1,50,640.24</b>
<b>Expenses</b>			
Cost of materials consumed	28	1,19,080.90	1,21,626.57
Purchase of stock-in-trade		2,774.50	2,500.20
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(3,331.94)	1,386.35
Employee benefits expense	30	10,047.09	8,812.11
Finance costs	31	2,054.88	1,276.51
Depreciation and amortisation expenses	32	3,573.12	3,212.78
Other expenses	33	22,397.73	17,452.51
<b>Total expenses (II)</b>		<b>1,56,596.28</b>	<b>1,56,267.03</b>
<b>Profit/(Loss) before tax (III) = (I)-(II)</b>		<b>1,072.83</b>	<b>(5,626.79)</b>
<b>Tax expense: (IV)</b>	42		
Current tax:			
- For current year		-	-
Deferred Tax Charge/(Credit)		293.64	1,470.49
		<b>293.64</b>	<b>(1,470.49)</b>
<b>Profit/(Loss) for the year (V) = (III)-(IV)</b>		<b>779.19</b>	<b>(4,156.30)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit (liability)/asset	39	(30.45)	8.58
Income tax relating to items that will not be reclassified to profit or loss	42	7.66	(2.16)
<b>Other comprehensive income/(loss) for the year net of tax (VI)</b>		<b>(22.79)</b>	<b>6.42</b>
<b>Total comprehensive income/(loss) for the year (VII) = (V) + (VI)</b>		<b>756.40</b>	<b>(4,149.88)</b>
<b>Earnings per share</b>			
Basic earnings per share of Rs. 10 each	34	6.88	(36.70)
Diluted earnings per share of Rs. 10 each	34	6.88	(36.70)

The accompanying notes are an integral part of the financial statements  
As per our report of even date attached

for **BSR & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101248W/W-100022



**Rahul Choudhary**  
Partner  
Membership No.: 408408  
Place: Mumbai

for and on behalf of the Board of Directors of  
**Creamline Dairy Products Limited**  
CIN: U15201TG1986PLC006912



**K Bhasker Reddy**  
Managing Director  
DIN: 00014291  
Place : Mumbai



**D.Chandra Shekher Reddy**  
Executive Director  
DIN: 00063691  
Place : Mumbai



**Bhupendra Suri**  
Whole-time Director and  
Chief Executive Officer  
DIN: 09035126  
Place : Mumbai



**P.P. Manoj**  
Chief Financial Officer  
Place : Mumbai




**Neha Poojary**  
Company Secretary  
Place: Mumbai

Date: 23 April 2024

Creamline Dairy Products Limited  
 CIN: U15201TG1986PLC006912  
 Statement of cash flows for the year ended 31 March 2024  
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Cash flows from operating activities :</b>		
Profit/(Loss) before tax	1,072.83	(5,626.79)
<b>Adjustment for:</b>		
Depreciation and amortisation expense	3,573.12	3,212.78
Loss on sale of property plant and equipment (net)	3.67	52.28
Profit on sale of investments (net)	(7.43)	(3.32)
Amortisation of government grants	(9.34)	(9.34)
Interest income	(33.30)	(50.35)
Finance costs	2,054.88	1,276.51
Allowances for doubtful debts and advances	84.00	131.79
Liabilities no longer required written back	(29.07)	(290.00)
<b>Operating Profit/(Loss) before working capital changes</b>	<b>6,709.36</b>	<b>(1,306.45)</b>
<b>Working capital adjustments</b>		
Inventories	(4,233.62)	3,552.58
Trade receivables	146.43	(539.82)
Other non-current assets and current assets	(22.18)	(51.91)
Other financial assets	(38.03)	(19.95)
Trade payables	1,087.06	200.88
Employee benefit obligations	30.34	(48.11)
Other financial liabilities	956.87	837.80
Other Current and non-current liabilities	46.99	(130.73)
<b>Cash generated from operations</b>	<b>4,683.22</b>	<b>2,494.29</b>
Income Taxes paid (net of refunds received)	(15.90)	(20.70)
<b>Net cash generated from operating activities</b>	<b>4,667.32</b>	<b>2,473.59</b>
<b>Cash flows from investing activities :</b>		
Payments for property, plant and equipment (net of capital advances, capital creditors and capital work-in-progress)	(3,704.90)	(3,365.94)
Proceeds from sale of property, plant and equipment	85.97	34.04
Purchase and sale of short-term investments, net	(793.31)	3.32
Interest received	42.44	52.11
<b>Net cash used in investing activities</b>	<b>4,369.80</b>	<b>3,276.47</b>
<b>Cash flows from financing activities :</b>		
Repayment of short-term borrowings (net)	(5,000.00)	(5,000.00)
Proceeds from long-term borrowings	11,400.00	3,625.90
Repayment of long-term borrowings	(3,248.50)	(1,323.50)
Proceeds from inter-corporate deposits	1,000.00	10,000.00
Repayment of inter-corporate deposits	(3,500.00)	(5,000.00)
Finance costs	(1,407.57)	(1,266.07)
Principal payment of lease liabilities	(131.16)	(157.87)
<b>Net cash generated (used in)/from financing activities</b>	<b>887.23</b>	<b>878.46</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(589.71)</b>	<b>75.58</b>
Cash and cash equivalents at the beginning of the year (refer note 11)	963.14	887.56
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>373.43</b>	<b>963.14</b>

Refer note 46 for reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

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".

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
 for **B S R & Co. LLP**  
 Chartered Accountants  
 ICAI Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Creamline Dairy Products Limited**  
 CIN: U15201TG1986PLC006912



**Rahul Choudhary**  
 Partner  
 Membership No.: 408408  
 Place: Mumbai



**K Bhasker Reddy**  
 Managing Director  
 DIN: 00014291  
 Place: Mumbai



**D.Chandra Shekher Reddy**  
 Executive Director  
 DIN: 00063691  
 Place: Mumbai



**Chhupendra Suri**  
 Whole-time Director and  
 Chief Executive Officer  
 DIN: 09035946  
 Place: Mumbai



**P.P. Manoj**  
 Chief Financial Officer  
 Place: Mumbai



**Neha Poojary**  
 Company Secretary  
 Place: Mumbai

Date: 23 April 2024



**Creamline Dairy Products Limited**  
**Statement of changes in equity for the year ended 31 March 2024**  
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**(a) Equity share capital**

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
As at 31 March 2024 *	1,132.47	-	1,132.47	-	1,132.47
As at 31 March 2023 *	1,132.47	-	1,132.47	-	1,132.47

\* Refer Note 16

**(b) Other equity**

As at 31 March 2024	Reserves and Surplus					Other equity attributable to the owners of the Company
	Capital reserves	Securities premium	General reserve	Debtore Redemption Reserve	Retained earnings	
<b>Balance as at 1 April 2023</b>	(186.98)	5,720.20	1,443.72	-	2,844.66	9,821.60
Profit for the year	-	-	-	-	779.19	779.19
Other comprehensive income - Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	(22.79)	(22.79)
<b>Total comprehensive income for the year</b>	-	-	-	-	756.40	756.40
<b>Others</b>						
Transfer to Debtore Redemption Reserve	-	-	-	990.00	(990.00)	-
<b>Balance as at 31 March 2024</b>	(186.98)	5,720.20	1,443.72	990.00	2,611.06	10,578.00

As at 31 March 2023	Reserves and Surplus					Other equity attributable to the owners of the Company
	Capital reserves	Securities premium	General reserve	Debtore Redemption Reserve	Retained earnings	
<b>Balance as at 1 April 2022</b>	(186.98)	5,720.20	1,443.72	-	6,994.54	13,971.48
Loss for the year	-	-	-	-	(4,156.30)	(4,156.30)
Other comprehensive income - Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	6.42	6.42
<b>Total comprehensive income for the year</b>	-	-	-	-	(4,149.88)	(4,149.88)
<b>Balance as at 31 March 2023</b>	(186.98)	5,720.20	1,443.72	-	2,844.66	9,821.60

**General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**Securities premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit and loss less dividend distribution and transfers to general reserve.

**Capital reserve**

Capital reserve represents the difference between the value of consideration transferred and the value of net assets taken over pursuant to amalgamations/mergers under Court approved schemes.

**Debtore Redemption Reserve (DRR)**

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 10% of the value of debentures issued as per Section 71(4) of the Companies Act, 2013, read with Rule 18(7) of the Companies (Share Capital And Debentures) Rules, 2014.

**Other comprehensive income**

Remeasurements of the net defined benefit liability(asset) comprising of actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

**Dividend**

No dividend has declared by the Company during the current and previous financial year.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

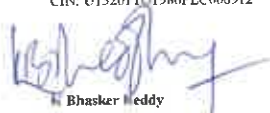


**Rahul Choudhary**  
 Partner  
 Membership No.: 408408  
 Place: Mumbai

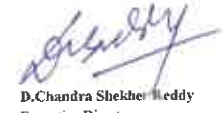
for and on behalf of the Board of Directors of

**Creamline Dairy Products Limited**

CIN: U15201TG1986PLC006912



**Bhasker Reddy**  
 Managing Director  
 DIN: 00014291  
 Place: Mumbai



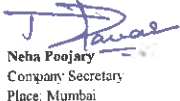
**D. Chandra Shekhar Reddy**  
 Executive Director  
 DIN: 00063691  
 Place: Mumbai



**Bhavendra Suri**  
 Whole-time director and  
 Chief Executive Officer  
 DIN: 09035926  
 Place: Mumbai



**P.P. Manoj**  
 Chief Financial Officer  
 Place: Mumbai



**Neha Poojary**  
 Company Secretary  
 Place: Mumbai



Date: 23 April 2024



**Creamline Dairy Products Limited**  
**Notes to the financial statements**

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**1. Reporting Entity:**

Creamline Dairy Products Limited (the Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at # 6-3-1238/B/21, Asif Avenue, Raj Bhavan Road, Hyderabad. The Company is a public Company limited by shares and the commercial paper and Non-convertible debentures of the Company are listed on the National Stock Exchange (NSE).

The Company is principally engaged in milk procurement, processing of milk and manufacturing and selling of milk and milk products. The Company is also engaged in generation of power through renewable energy sources.

**2. Basis of preparation:**

**a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The financial statements are approved for issue by the Company's Board of Directors on 23 April 2024.

**b) Basis of preparation**

These financial statements have been prepared on going concern, accrual and historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

**c) Functional and presentation currency**

These financial statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

**d) Use of Judgements and estimates**

While preparing the financial statements in conformity with the recognition and measurement principles as required by Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the restated statement of assets and liabilities and the reported amount of income and expenses for the reporting period.



**Creamline Dairy Products Limited**  
**Notes to the financial statements**

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**I. Assumptions and estimates uncertainties:**

• **Determination of the estimated useful lives**

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

• **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

• **Provision for income tax and deferred tax assets**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

**II. Judgements:**

• **Determining whether an arrangement contains a lease and determining lease term.**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.



## Creamline Dairy Products Limited

### Notes to the financial statements

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### • Impairment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The estimated cash flows are developed based on internal forecasts and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. There coverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-in flows and the growth rate used for extrapolation purposes. These estimates are most relevant to Property, Plant and Equipment and other intangible assets with useful lives recognized by the Company.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit and Loss (if any).

#### e) Fair value measurement:

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized 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). If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



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**f) Current and non-current classification**

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

**g) Revenue from contracts with customers**

• **Sale of products**

The Company is engaged in sale of milk & milk products and animal feed. Revenue from operations comprises of sales of goods after the deduction of returns (if any), discounts, rebates, taxes collected other pricing allowances to trade/consumer. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Revenue from the sale of goods is recognised when control of the goods has transferred to the buyer which coincides with the time when the goods are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of goods. Depending on the contractual terms with the customers, this can be either at the time of dispatch or delivery of goods. This is considered the appropriate point where the performance obligations in our contracts are satisfied as the Company no longer has control over the inventory. Our customers have the contractual right to return goods only when authorized by the Company.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract

**h) Other Operating Revenue**

• **Sale of power**

Revenue from the sale of power is recognised monthly based on number of units supplied to the customer for the period and invoice is raised accordingly. Revenue from sale of power is based on the price specified in the sales contracts.

**i) Other Income**

• **Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset or
- The amortised cost of the financial liability.

In calculating interest income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income levels to the gross basis. Interest income is included in other income in the statement of profit and loss.





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- **Dividend income**

Dividend income is accounted for when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

**j) Foreign currency**

Transactions in foreign currencies are translated to functional currencies of Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of profit and loss.

**k) Employee benefits**

- **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term employee benefits such as salaries, wages, bonus, special awards and medical benefits, etc. are recognized on an un-discounted basis and charged to the statement of profit and loss.

- **Defined contribution plan**

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a separate entity and has no obligation to pay any further amounts. Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss during the period in which the employee renders the related service. The Company has no obligation, other than the contribution payable to these funds.

- **Defined benefit plan**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method debited to the statement of profit and loss Statement and Actuarial gains or losses net of deferred taxes are accounted for in Other Comprehensive Income (OCI). The Company has an arrangement with Life Insurance Corporation of India (LIC) to administer its gratuity scheme.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.





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Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the statement of profit and loss.

**D) Taxes on income:**

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in the OCI.

• **Current tax**

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a. has a legally enforceable right to set off the recognised amounts; and
- b. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

• **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 amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences 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;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the



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related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is recognized in equity or OCI.

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.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**m) Inventories**

Inventories which comprise of raw material, packing material, work-in-progress, finished goods and stores and spares are valued at lower of cost and net realizable value. Cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. The inventories of raw materials, packing materials, work-in-progress, finished goods and stores are valued at moving weighted average cost of the respective batches.

Cost of work-in-progress and finished goods include direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products 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 realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

**n) Dividend**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors

**o) Property, plant and equipment**

• **Recognition and measurement**

Property, Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment (including Capital Work in Progress) comprises:



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- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

• **Subsequent expenditure**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

• **Depreciation/ Amortizations**

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

<b>Asset category</b>	<b>Estimated useful life in years</b>
Plant and machinery	8
Wind and Solar equipment	22
Crates, cans and milk-o-testers	4



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**p) Intangible assets**

• **Recognition and measurement**

Intangible assets other than Goodwill are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

• **Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of profit and loss. The intangible assets are amortised over the estimated useful lives as given below:

- Computer Software : 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**q) Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

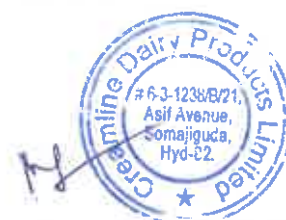
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**r) Impairment of non-financial assets**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amounts of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the fair value less costs to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognised for an asset (other than goodwill) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.





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**s) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**t) Trade Receivables:**

Trade receivables are initially recognised when they are originated. A trade receivable without a significant financing component is initially measured at the transaction price. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables:

The Company measures loss allowances at an amount equal to lifetime Expected Credit Loss (ECLs). Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

**u) Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as (income) / expense in the statement of profit and loss (P&L). Financial assets measured as at amortised cost, contractual revenue





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receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**v) Government grants**

Government Grants are recognised where there is a reasonable assurance that the grant will be received and the attached conditions will be complied with.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**w) Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. If the Company reasonably expects that the effects on the financial statements of the portfolio approach would not differ materially from applying it to the individual leases within that portfolio. The lease payments shall include fixed payments, variable lease payments (variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date), residual value guarantees (amounts expected to be payable under a residual value guarantee), exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying



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amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

• **Company as a lessee:**

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company has lease contracts for buildings used in its operations. The Leases generally have lease terms between 1 and 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

**x) Financial instruments**

• **Recognition and initial measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument except for trade receivables which are initially recognized when they are originated. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are measured at transaction price. 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.

• **Classification and subsequent measurement**

- **Financial assets**

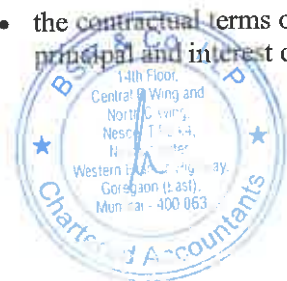
The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

- **Amortised Cost:**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets 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.



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- **Fair Value through OCI:**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset 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.

• **Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

• **Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss

• **Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

• **Derecognition of financial instruments**

- **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 rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset 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 recognised 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.



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### Notes to the financial statements

#### - 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 cases, 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 the new financial liability with modified terms is recognized in the statement of profit and loss.

#### • Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, 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 adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### • Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

#### • 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 to realize the asset and settle the liability simultaneously.





## Creamline Dairy Products Limited

### Notes to the financial statements

#### y) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. As at balance sheet, the Company did not have any dilutive potential equity shares.

#### z) Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit & loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. A provision for onerous contracts is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow or resources will be required to settle the obligation;
- a present obligation arising from past events, when the amount of the obligation cannot be measured with sufficient reliability;
- a possible obligation arising from past events unless the probability of outflow or resources is remote.

A contingent asset is not recognized but disclosed in the financial statements where an inflow of economic benefit is probable. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### ab) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standard or amendments to the existing standards applicable to the Company.





**Creemline Dairy Products Limited**  
Notes to the financial statements  
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 3**  
**Property, Plant and Equipment**

Particulars	Free hold Land	Buildings	Plant and Machinery	Electrical Installations	Furniture and Fixtures	Vehicles	Office equipment	Crates, Cans & Milk-o-Testers	Wind and Solar Equipment	Computers	Total
<b>Gross Block</b>											
As at 1 April 2023	3,111.03	10,460.36	26,469.54	1,827.80	336.22	574.86	329.34	271.56	2,867.03	634.56	46,882.30
Additions	-	206.51	2,509.80	61.95	22.52	214.51	32.73	9.32	-	132.22	3,189.56
Disposals	-	-	(469.72)	(24.62)	(13.96)	(56.82)	(16.42)	(11.65)	-	(67.70)	(660.89)
Capitalisation	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2024</b>	<b>3,111.03</b>	<b>10,666.87</b>	<b>28,509.62</b>	<b>1,865.13</b>	<b>344.78</b>	<b>732.55</b>	<b>345.65</b>	<b>269.23</b>	<b>2,867.03</b>	<b>699.08</b>	<b>49,410.97</b>
<b>Accumulated Depreciation</b>											
As at 1 April 2023	-	2,724.10	14,942.56	879.78	173.31	354.71	231.48	242.56	1,325.63	436.99	21,311.12
For the year	-	375.06	2,543.51	144.02	23.44	73.53	31.70	9.19	118.54	123.80	3,442.79
Disposals	-	-	(416.63)	(23.11)	(12.75)	(28.07)	(15.41)	(11.07)	-	(64.21)	(571.25)
<b>As at 31 March 2024</b>	<b>-</b>	<b>3,099.16</b>	<b>17,069.44</b>	<b>1,000.69</b>	<b>184.00</b>	<b>400.17</b>	<b>247.77</b>	<b>240.68</b>	<b>1,444.17</b>	<b>496.58</b>	<b>24,182.66</b>
<b>Net Block as at 31 March 2024</b>	<b>3,111.03</b>	<b>7,567.71</b>	<b>11,440.18</b>	<b>864.44</b>	<b>160.78</b>	<b>332.38</b>	<b>97.88</b>	<b>28.55</b>	<b>1,422.86</b>	<b>202.50</b>	<b>25,228.31</b>
<b>Gross Block</b>											
As at 1 April 2022	3,111.03	10,167.27	23,396.08	1,699.94	289.29	575.85	272.69	268.52	2,867.03	562.91	43,210.61
Additions	-	293.09	3,262.03	127.86	46.93	96.80	56.65	3.04	-	100.01	3,986.41
Disposals	-	-	(188.57)	-	-	(97.79)	-	-	-	(28.36)	(314.72)
<b>As at 31 March 2023</b>	<b>3,111.03</b>	<b>10,460.36</b>	<b>26,469.54</b>	<b>1,827.80</b>	<b>336.22</b>	<b>574.86</b>	<b>329.34</b>	<b>271.56</b>	<b>2,867.03</b>	<b>634.56</b>	<b>46,882.30</b>
<b>Accumulated Depreciation</b>											
As at 1 April 2022	-	2,375.11	12,850.99	746.43	153.76	351.99	204.73	233.06	1,207.09	355.31	18,478.47
For the year	-	348.99	2,228.04	153.35	19.55	68.65	26.75	9.50	118.54	107.67	3,061.04
Disposals	-	-	(136.47)	-	-	(65.93)	-	-	-	(25.99)	(228.39)
<b>As at 31 March 2023</b>	<b>-</b>	<b>2,724.10</b>	<b>14,942.56</b>	<b>879.78</b>	<b>173.31</b>	<b>354.71</b>	<b>231.48</b>	<b>242.56</b>	<b>1,325.63</b>	<b>436.99</b>	<b>21,311.12</b>
<b>Net Block as at 31 March 2023</b>	<b>3,111.03</b>	<b>7,736.26</b>	<b>11,526.98</b>	<b>948.02</b>	<b>162.91</b>	<b>220.15</b>	<b>97.86</b>	<b>29.00</b>	<b>1,541.40</b>	<b>197.57</b>	<b>25,571.18</b>
<b>Relevant line item in the Balance Sheet</b>	<b>Description of item of property</b>	<b>Gross carrying value</b>	<b>Title deed held in the name of</b>		<b>Whether title deed holder is a promoter, director or relative of promoter, director or employee of promoter, director</b>			<b>Property held since which date</b>	<b>Reasons for not being held in the name of Company</b>		
Property Plant and Equipment	Freehold Land	6.57	K.Bhasker Reddy		Promoter and Director			30-06-2006	Refer Note (iv) below		
Property Plant and Equipment	Freehold Land	193.67	Navaalhi Milkline Private Limited		No			01-04-2019	Refer Note (v) below		

- Notes:**
- (i) Lien created on Plant and Machinery purchased by utilizing respective term loans. Refer note 18
- (ii) The cost of property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.
- (iii) Refer to note 35(a)(i) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
- (iv) Free hold land located at Uthangarai, Tamilnadu to the extent of Rs. 6.57 lakhs is in the process of being transferred in the name of the Company.
- (v) Free hold land located at Uppal, Hyderabad to the extent of Rs. 193.67 lakhs was received as a part of merger of Nagavalli Milkline Private Limited and is in the process of being transferred in the name of the Company.



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 4**

**Capital work-in-progress**

Particulars	Amount
<b>As at 31 March 2024</b>	
<b>Cost</b>	
As at 1 April 2023	186.11
Additions during the year	3,338.30
Capitalised during the year	(3,205.80)
<b>As at 31 March 2024</b>	<b>318.61</b>
<b>As at 31 March 2023</b>	
<b>Cost</b>	
As at 1 April 2022	284.63
Additions during the year	3,907.44
Capitalised during the year	(4,005.96)
<b>As at 31 March 2023</b>	<b>186.11</b>

**Ageing for Capital work-in-progress as at 31 March 2024 is as follows :**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	318.61	-	-	-	318.61
Projects temporarily suspended	-	-	-	-	-

**Ageing for Capital work-in-progress as at 31 March 2023 is as follows :**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	170.79	9.30	6.02	-	186.11
Projects temporarily suspended	-	-	-	-	-

**Note 5**

**Other Intangible assets**

Particulars	Computer Software	Total
<b>Gross Block</b>		
As at 1 April 2023	667.62	667.62
Additions	16.24	16.24
Disposals	-	-
<b>As at 31 March 2024</b>	<b>683.86</b>	<b>683.86</b>
<b>Accumulated amortisation</b>		
As at 1 April 2023	599.80	599.80
For the year	10.33	10.33
Disposals	-	-
<b>As at 31 March 2024</b>	<b>610.13</b>	<b>610.13</b>
<b>Net Block at 31 March 2024</b>	<b>73.73</b>	<b>73.73</b>

Particulars	Computer Software	Total
<b>Gross Block</b>		
As at 1 April 2022	648.07	648.07
Additions	19.55	19.55
Disposals	-	-
<b>As at 31 March 2023</b>	<b>667.62</b>	<b>667.62</b>
<b>Accumulated amortisation</b>		
As at 1 April 2022	589.87	589.87
For the year	9.93	9.93
Disposals	-	-
<b>As at 31 March 2023</b>	<b>599.80</b>	<b>599.80</b>
<b>Net Block at 31 March 2023</b>	<b>67.82</b>	<b>67.82</b>



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	As at 31 March 2024	As at 31 March 2023
<b>Note 6</b>		
<b>Other non-current financial assets</b> (Unsecured)		
<b>Considered good:</b>		
Security deposits	425.38	378.13
	<b>425.38</b>	<b>378.13</b>
<b>Considered doubtful:</b>		
Security deposits	1.79	1.79
Less: Allowance for doubtful assets	(1.79)	(1.79)
	<b>425.38</b>	<b>378.13</b>

	As at 31 March 2024	As at 31 March 2023
<b>Note 7</b>		
<b>Deferred tax assets</b>		
Deferred tax assets (net) (refer note 42)	2,051.69	2,337.67
	<b>2,051.69</b>	<b>2,337.67</b>

	As at 31 March 2024	As at 31 March 2023
<b>Note 8</b>		
<b>Other non-current assets</b> (Unsecured)		
<b>Considered good:</b>		
Capital advances	142.93	8.99
Prepaid expenses	102.10	42.66
Balances with Government authorities	250.37	246.13
	<b>495.40</b>	<b>297.78</b>
<b>Considered doubtful:</b>		
Capital advances	10.04	10.04
Less: Allowance for doubtful advances	(10.04)	(10.04)
	<b>495.40</b>	<b>297.78</b>

	As at 31 March 2024	As at 31 March 2023
<b>Note 9</b>		
<b>Inventories</b> (Valued at lower of cost and net realisable value)		
Raw materials*	5,088.01	3,898.37
Packing materials	1,059.31	1,321.77
Finished goods**	8,044.61	4,640.32
Work-in-progress	711.65	795.22
Stock-in-trade	197.35	186.13
Consumables, stores and spares	1,051.48	1,076.98
	<b>16,152.41</b>	<b>11,918.79</b>

\*Includes skim milk powder purchased and produced by the Company.

\*\* Includes inventory of butter which are for sale and for the purpose of reconstitution into milk and milk products.

The write-down of inventories to net realisable value and losses during the year amounted to Rs. 407.74 Lakhs (31 March 2023: Rs. 73.57 Lakhs). The write-downs/ losses are included in cost of materials consumed and changes in inventories of finished goods, stock-in-trade and work-in-progress.

	As at 31 March 2024	As at 31 March 2023
<b>Note 10</b>		
<b>Trade receivables</b>		
<b>Secured</b>		
Considered good	611.06	410.44
<b>Unsecured</b>		
Considered good	1,062.87	1,344.29
Credit impaired	254.62	255.80
Significant increase in credit risk	-	-
<b>Total Trade Receivables</b>	<b>1,928.55</b>	<b>2,010.53</b>
Less: Loss allowance	(320.25)	(255.80)
<b>Net Trade Receivables</b>	<b>1,608.30</b>	<b>1,754.73</b>

(i) Trade receivables are generally on terms of 0 to 45 days

(ii) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 40.2

(iv) Trade receivables includes receivables from related parties Rs. 0.28 lakhs (31 March 2023 Rs. 18.12 lakhs). Refer note 43.



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2024</b>						
(i) Undisputed Trade receivables – considered good	1,468.84	108.01	60.94	10.25	25.89	1,673.93
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	0.66	64.71	55.14	18.34	7.18	146.03
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	55.93	25.08	27.58	108.59
	<b>1,469.50</b>	<b>172.72</b>	<b>172.01</b>	<b>53.67</b>	<b>60.65</b>	<b>1,928.55</b>
<b>As at 31 March 2023</b>						
(i) Undisputed Trade receivables – considered good	1,695.82	19.64	12.08	8.68	18.51	1,754.73
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	72.96	79.36	29.76	2.60	3.94	188.62
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	32.18	5.00	-	30.00	67.18
	<b>1,768.78</b>	<b>131.18</b>	<b>46.84</b>	<b>11.28</b>	<b>52.45</b>	<b>2,010.53</b>

**Note 11**

**Cash and cash equivalents**

- In current accounts \*

**Cash and cash equivalents**

Cash on hand

	As at 31 March 2024	As at 31 March 2023
- In current accounts *	185.74	830.56
Cash on hand	187.69	132.58
	<b>373.43</b>	<b>963.14</b>

\* Company has transferred the available funds of Rs. 1.39 Lakhs to its own account and closed the bank account held in the name of Nagavalli Milkline Private Limited in the previous financial year.

**Note 12**

**Bank balances other than cash and cash equivalents**

Deposits with banks with original maturity more than 3 months but less than twelve months \*

Unpaid dividend accounts

	As at 31 March 2024	As at 31 March 2023
Deposits with banks with original maturity more than 3 months but less than twelve months *	70.23	70.62
Unpaid dividend accounts	6.00	6.00
	<b>76.23</b>	<b>76.62</b>

\*Fixed deposits with scheduled banks held as margin money towards bank guarantees/ sales tax registration/ overdraft limit

**Note 13**

**Current Investments**

Quoted

Investments carried at fair value through profit or loss

Investments in Mutual Funds

Investments in Mutual Funds	800.74	-
	<b>800.74</b>	<b>-</b>

Aggregate amount of quoted investments

Market value of quoted investments - Current

Aggregate amount of quoted investments	800.74	-
Market value of quoted investments - Current	800.74	-

**Note 14**

**Other current financial assets**

(Unsecured)

**Considered good:**

Security deposits

Advances to employees

Interest receivable

	As at 31 March 2024	As at 31 March 2023
Security deposits	65.53	75.23
Advances to employees	6.02	5.15
Interest receivable	-	9.14
	<b>71.55</b>	<b>89.52</b>

**Considered doubtful:**

Security deposits

Less: Allowance for doubtful assets

Security deposits	1.94	1.94
Less: Allowance for doubtful assets	(1.94)	(1.94)
	<b>-</b>	<b>-</b>
	<b>71.55</b>	<b>89.52</b>

**Note 15**

**Other current assets**

(Unsecured)

**Considered good:**

Advances to suppliers

Advances to milk suppliers

Prepaid expenses

GST receivables

Others

	As at 31 March 2024	As at 31 March 2023
Advances to suppliers	133.17	208.28
Advances to milk suppliers	38.02	150.08
Prepaid expenses	450.90	343.23
GST receivables	110.72	108.16
Others	23.50	8.98
	<b>756.31</b>	<b>818.73</b>

**Considered doubtful:**

Advances to suppliers

Advances to milk suppliers

Less: Allowance for doubtful advances

Advances to suppliers	13.85	13.85
Advances to milk suppliers	3.35	7.94
Less: Allowance for doubtful advances	(17.20)	(21.79)
	<b>-</b>	<b>-</b>
	<b>756.31</b>	<b>818.73</b>



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 16**

**Equity share capital**

**Authorised:**

17,150,000 (31 March 2023: 17,150,000) equity shares of Rs. 10/- each

	As at 31 March 2024	As at 31 March 2023
	1,715.00	1,715.00
	1,715.00	1,715.00

**Issued, Subscribed and Paid-up:**

11,324,700 (31 March 2023 : 11,324,700) equity shares of Rs. 10/- each fully paid up

	As at 31 March 2024	As at 31 March 2023
	1,132.47	1,132.47
	1,132.47	1,132.47

**Reconciliation of number of shares outstanding at the beginning and end of the year :**

**Equity shares :**

At the commencement of the period

Issued during the year

At the end of the year

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
	1,13,24,700	1,132.47	1,13,24,700	1,132.47
	-	-	-	-
	1,13,24,700	1,132.47	1,13,24,700	1,132.47

**Terms and rights attached to equity shares:**

Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Number of Shares held by holding Company:**

**Equity shares:**

Godrej Agrovet Limited

(The ultimate parent Company is Godrej Industries Limited)

	As at 31 March 2024	As at 31 March 2023
	58,79,008	58,79,008

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

	As at 31 March 2024		As at 31 March 2023	
	No. of shares	%	No. of shares	%
Equity shares:				
Godrej Agrovet Limited	58,79,008	51.91%	58,79,008	51.91%
K. Bhasker Reddy	8,68,500	7.67%	8,68,500	7.67%
D. Chandra Shekhar Reddy	8,35,292	7.38%	8,35,292	7.38%
C. Mangaraj	10,89,100	9.62%	10,89,100	9.62%
M Rama Kumari	8,19,716	7.24%	8,19,716	7.24%
		<b>83.81%</b>		<b>83.81%</b>

**Disclosure of shareholding of promoters as at 31 March 2024 is as follows:**

Promoter Name	No. of shares	% of total shares	% change during the year
Godrej Agrovet Limited	58,79,008	51.91%	-
K. Bhasker Reddy	8,68,500	7.67%	-
D. Chandra Shekhar Reddy	8,35,292	7.38%	-
Mangaraj Chinthala	10,89,100	9.62%	-
M Rama Kumari	8,19,716	7.24%	-
Shrinath Shetkhar	20,000	0.18%	-

**Disclosure of shareholding of promoters as at 31 March 2023 is as follows:**

Promoter Name	No. of shares	% of total shares	% change during the year
Godrej Agrovet Limited	58,79,008	51.91%	-
K. Bhasker Reddy	8,68,500	7.67%	-
D. Chandra Shekhar Reddy	8,35,292	7.38%	-
Mangaraj Chinthala	10,89,100	9.62%	-
M Rama Kumari	8,19,716	7.24%	-
Shrinath Shetkhar	20,000	0.18%	-

**Note 17**

**Other equity**

**Retained earnings**

Opening balance

Add: Net Profit/(loss) for the year

Less: Total comprehensive income/(loss)

Less: Transfer to Debenture Redemption Reserve

Closing balance

	As at 31 March 2024	As at 31 March 2023
	2,844.66	6,994.54
	779.19	(4,156.30)
	(22.79)	6.42
	(990.00)	-
	2,611.06	2,844.66

**General reserve:**

Opening balance

Closing balance

	As at 31 March 2024	As at 31 March 2023
	1,443.72	1,443.72
	1,443.72	1,443.72





**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Securities premium**

Opening balance	5,720.20	5,720.20
Closing balance	5,720.20	5,720.20

**Debenture Redemption Reserve**

Opening balance	-	-
Add : Reserve created during the year	990.00	-
Closing balance	990.00	-

**Capital reserve**

Opening balance	(186.98)	(186.98)
Closing balance	(186.98)	(186.98)
	<b>10,578.00</b>	<b>9,821.60</b>

**Note 18**

**Non-current**

Long-term borrowings	As at	As at
	31 March 2024	31 March 2023
<b>From banks,</b>		
<b>Secured Term loans</b>		
HSBC Bank	-	-
Federal Bank	996.28	1,499.97
HDFC Bank	-	613.94
	<b>996.28</b>	<b>2,113.91</b>
<b>Unsecured Term Loans</b>		
ICICI Bank	1,000.00	-
	<b>1,000.00</b>	<b>-</b>
<b>Others, unsecured</b>		
From related parties		
- Inter Corporate Deposit - Godrej Agrovet Limited (Holding Company)	5,000.00	5,000.00
Others		
- Non-Convertible Debentures	9,900.00	-
	<b>14,900.00</b>	<b>5,000.00</b>
	<b>16,896.28</b>	<b>7,113.91</b>

Term loans are secured and other terms are given below:

**HSBC Bank**

The Loan is repayable in 16 structured quarterly instalments commencing from 31 December 2019 and carries interest at Treasury bill rate + 100 bps spread p.a. Interest rate of the loan during the year was ranging from 7.76% to 8.68% per annum. This loan has been fully repaid during the year.

Negative Lien created on the plant and machinery purchased by availing the term loan

**Federal Bank**

**Term loan - 1**

The Loan is repayable in 12 equal quarterly instalments commencing from 30 September 2020. Interest rate of the loan is 8.65% per annum. This loan has been fully repaid during the year.

Negative Lien created on the plant and machinery purchased by availing the term loan

**Term loan - 2**

The Loan is repayable in 16 equal quarterly instalments commencing from 29 June 2023. Interest rate of the loan is 7.95% per annum

Negative Lien created on the plant and machinery purchased by availing the term loan

**HDFC Bank**

**Term loan - 1**

Repayable in 12 equal quarterly instalments commencing from 30 June 2022. Interest rate of the loan during the year was ranging from 7.67% to 7.98% per annum.

**Term loan - 2**

Repayable in single instalment in September 2023. Interest rate during the year was ranging from 7.39% to 7.98% per annum. This loan has been fully repaid during the year.

Negative Lien created on the plant and machinery purchased by availing the term loan 1 and 2.

Holding Company Godrej Agrovet Limited has provided Letter of Comfort against the Term Loan 1 and 2 availed from HDFC Bank

**ICICI Bank - Unsecured**

The Loan is repayable in 12 structured quarterly instalments commencing from 26 June 2024 and carries interest at one month Treasury bill rate p.a. Current interest rate of the loan is 8.60% per annum

**Inter Corporate Deposit (ICDs)**

**1st Tranche**

Inter Corporate Deposit from Godrej Agrovet Limited is repayable in single instalment in September 2023. Interest rate of loan was 7.25% per annum and the Inter Corporate Deposit has been fully repaid during the year.

**2nd Tranche**

Inter Corporate Deposit from Godrej Agrovet Limited is repayable in single instalment in February 2026. Current Interest rate of loan is 8.50% per annum

**3rd Tranche**

Inter Corporate Deposit from Godrej Agrovet Limited is repayable in single instalment in March 2026. Current Interest rate of loan is 8.50% per annum.

**Non-Convertible Debentures (NCDs)**

**1st Tranche**

Company on 21 August 2023 has issued 4,900 unsecured, rated, listed, redeemable, Non-convertible Debentures (NCDs) of face value ₹1,00,000 each for a total amount of INR 4,900 Lakhs on a private placement basis at 8.65% per annum. The NCDs are repayable in single instalment at the end of 36 months from date of issue i.e, on 21 August 2026.

**2nd Tranche**

Company on 23 October 2023 has issued 5,000 unsecured, rated, listed, redeemable, Non-convertible Debentures (NCDs) of face value ₹1,00,000 each for a total amount of INR 5,000 Lakhs on a private placement basis at 8.65% per annum. The NCDs are repayable in single instalment at the end of 36 months from date of issue i.e, on 23 October 2026.



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 19**

**Non-current provisions**

**Provision for employee benefits:**

	As at 31 March 2024	As at 31 March 2023
- Provision for compensated absences	96.09	102.30
- Provision for gratuity (refer note 39)	186.23	139.51
<b>Total</b>	<b>282.32</b>	<b>241.81</b>

**Note 20**

**Other non-current liabilities**

	As at 31 March 2024	As at 31 March 2023
Deferred grant (Refer Note below)	124.39	133.73
<b>Total</b>	<b>124.39</b>	<b>133.73</b>

**Note:** Represents government grants towards cold storages under cold chain project scheme. These subsidies are received towards acquisition of depreciable assets and the amount in proportion to the depreciation is transferred to the statement of Profit and Loss. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance.

**Note 21**

**Current borrowings**

	As at 31 March 2024	As at 31 March 2023
Current portion of secured bank term loan	1,119.50	3,244.54
<b>Unsecured</b>		
Current portion of unsecured bank term loan	500.71	-
Commercial Paper	5,000.00	10,000.00
Accrued Interest on ICDS	191.77	-
Accrued interest on NCDs	452.30	-
Current portion of ICDS	-	2,500.00
<b>Total</b>	<b>7,642.8</b>	<b>15,744.54</b>

**Terms of short term Loan/ Working capital loans:**

Unsecured working capital demand loan availed by the Company during the year was ranging 7.00% to 8.60%

**Commercial Papers**

Commercial Paper carries interest rate of 7.75% to 8.44% (Previous Year - 8.00% to 8.30%) and are repayable on different dates within the next three months

**Note 22**

**Trade payables**

	As at 31 March 2024	As at 31 March 2023
Trade Payables		
dues to micro and small enterprises (refer note 45)	632.63	633.00
dues to other than micro and small enterprises	6,793.27	5,705.84
<b>Total</b>	<b>7,425.90</b>	<b>6,338.84</b>

Trade payables includes payables to related parties Rs. 401.13 lakhs (31 March 2023 Rs. 305.85 lakhs). Refer note 43.

Note No. 22.1: Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Accordingly, there are disputed amount overdue as on March 31, 2024 and March 31, 2023 to Micro, Small and Medium Enterprises on account of principal or interest.

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 year	2-3 year	> 3 years	
<b>As at 31 March 2024</b>						
(i) MSME	610.69	-	-	-	-	610.69
(ii) Others	6,031.10	520.35	72.30	34.56	2.04	6,660.35
(iii) Disputed dues - MSME	-	18.32	0.93	1.13	1.56	21.94
(iv) Disputed dues - Others	-	19.36	3.67	12.44	97.45	132.92
<b>Total</b>	<b>6,641.79</b>	<b>558.03</b>	<b>76.90</b>	<b>48.13</b>	<b>101.05</b>	<b>7,425.90</b>



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 year	2-3 year	> 3 years	
<b>As at 31 March 2023</b>					
(i) MSME	611.34	-	-	-	611.34
(ii) Others	5,522.86	69.01	26.74	0.80	5,619.41
(iii) Disputed dues - MSME	15.36	2.09	2.67	1.54	21.66
(iv) Disputed dues - Others	-	-	26.66	59.77	86.43
<b>Total</b>	<b>6,149.56</b>	<b>71.10</b>	<b>56.07</b>	<b>62.11</b>	<b>6,338.84</b>

Note 23 Other financial liabilities	As at	As at
	31 March 2024	31 March 2023
<b>Non- Current</b>		
Employee related payables	175.00	88.00
	<b>175.00</b>	<b>88.00</b>
<b>Current</b>		
Security deposits	2,834.82	2,309.10
Capital creditors	364.78	597.43
Employee related payables	826.68	448.53
Interest accrued but not due on borrowings	-	19.42
Unclaimed dividend	6.00	6.00
	<b>4,032.28</b>	<b>3,380.48</b>

There are no amounts due to be credited to Investor Education and Protection Fund in accordance with Section 125 (2) (c) of the Companies Act, 2013 as at the year end.

Note 24 Other current liabilities	As at	As at
	31 March 2024	31 March 2023
Contract Liabilities - (Advances from customers)	254.71	332.09
Statutory liabilities	567.29	442.92
Deferred income	9.34	9.34
	<b>831.34</b>	<b>784.35</b>

Note 25 Provisions	As at	As at
	31 March 2024	31 March 2023
<b>Current</b>		
<b>Provision for employee benefits:</b>		
- Provision for compensated absences	83.50	87.24
- Provision for gratuity (refer note 39)	231.33	207.31
	<b>314.83</b>	<b>294.55</b>



**Creamline Dairy Products Limited**  
**Notes to the financial statements (continued)**  
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 26**

**Revenue from operations**

Sale of products

**Other operating revenue:**

Sale of power

Processing charges

Scrap sales

Sale of animal feed

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Sale of products	1,54,050.18	1,47,157.99
<b>Other operating revenue:</b>		
Sale of power	149.17	168.22
Processing charges	48.15	89.78
Scrap sales	103.28	99.44
Sale of animal feed	2,935.38	2,597.73
	<b>1,57,286.16</b>	<b>1,50,113.16</b>

**26A Reconciliation of revenue recognised with the contracted price is as follows:**

Contract price

**Adjustments for:**

Discounts and incentives

Contract price	1,59,698.41	1,52,573.32
<b>Adjustments for:</b>		
Discounts and incentives	(5,648.23)	(5,415.33)
	<b>1,54,050.18</b>	<b>1,47,157.99</b>

**26B Contract Balances**

Receivables, which are included in 'trade receivables'

Contract liabilities

Receivables, which are included in 'trade receivables'	1,928.55	2,010.53
Contract liabilities	254.71	332.09

The Company receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivable are recognized when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company perform under the contract.

**Note 27**

**Other income**

Interest income under the effective interest method

Amortisation of government grants (refer note 20)

Net gain on sale of investments

Liabilities/Provisions no longer required written back

Miscellaneous income

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest income under the effective interest method	33.30	50.35
Amortisation of government grants (refer note 20)	9.34	9.34
Net gain on sale of investments	7.43	3.32
Liabilities/Provisions no longer required written back	29.07	290.00
Miscellaneous income	303.81	174.07
	<b>382.95</b>	<b>527.08</b>

**Note 28**

**Cost of materials consumed**

**Raw materials:**

Material at the commencement of the year

Add : Purchases\*

Less: Raw material at the end of the year

**Packing materials:**

Material at the commencement of the year

Add : Purchases

Less: Packing material at the end of the year

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Material at the commencement of the year	3,898.37	6,578.77
Add : Purchases*	1,13,672.81	1,11,572.64
Less: Raw material at the end of the year	5,088.01	3,898.37
	<b>1,12,483.17</b>	<b>1,14,253.05</b>
Material at the commencement of the year	1,321.77	999.48
Add : Purchases	6,335.27	7,695.82
Less: Packing material at the end of the year	1,059.31	1,321.77
	<b>6,597.73</b>	<b>7,373.52</b>
	<b>1,19,080.90</b>	<b>1,21,626.57</b>

\* Represents the balancing figure and includes certain production/ procurement overheads.

**Note 29**

**Changes in inventories of finished goods, Stock-in-Trade and work-in-progress**

**At the commencement of the year**

Stock-in-trade

Work-in-progress

Finished goods

**At the end of the year**

Stock-in-trade

Work-in-progress

Finished goods

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Stock-in-trade	186.13	158.39
Work-in-progress	795.22	714.90
Finished goods	4,640.32	6,134.73
	<b>5,621.67</b>	<b>7,008.02</b>
Stock-in-trade	197.35	186.13
Work-in-progress	711.65	795.22
Finished goods	8,044.61	4,640.32
	<b>8,953.61</b>	<b>5,621.67</b>
	<b>3,331.94</b>	<b>1,386.35</b>



**Creamline Dairy Products Limited**  
**Notes to the financial statements (continued)**  
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 30**

**Employee benefits expense**

Salaries, wages and bonus	
Contribution to provident and other funds	
Gratuity (refer note 39)	
Staff welfare expense	

For the Year ended March 31, 2024	For the Year ended March 31, 2023
8,930.67	7,791.59
531.82	511.51
128.74	123.23
455.86	385.78
<b>10,047.09</b>	<b>8,812.11</b>

**Note 31**

**Finance costs**

Interest expense on financial liabilities measured at amortised cost	
Interest expense on lease liabilities (refer note 38)	

For the Year ended March 31, 2024	For the Year ended March 31, 2023
2038.76	1258.13
16.12	18.38
<b>2,054.88</b>	<b>1,276.51</b>

**Note 32**

**Depreciation and amortisation expense**

Depreciation of property, plant and equipment (refer note 3)	
Amortization of intangible assets (refer note 5)	
Amortization of right-of-use asset (refer note 38)	

For the Year ended March 31, 2024	For the Year ended March 31, 2023
3,442.79	3,061.04
10.33	9.93
120.00	141.81
<b>3,573.12</b>	<b>3,212.78</b>

**Note 33**

**Other expenses**

Consumption of stores and spares	
Power and fuel	
Rent (refer note 38)	
Rates and taxes	
Repairs and maintenance:	
- Machinery	
- Buildings	
- Others	
Other manufacturing expenses	
Travelling and conveyance	
Professional and consultancy charges	
Insurance	
Office maintenance	
Auditor's remuneration (refer note (i) below)	
Bad debts written off	
Less : Utilised from loss allowance (refer note 40.2)	
Sundry balances written off	
Less : Utilised from loss allowance (refer note 40.2)	
Allowances for doubtful debts and advances	
Loss on sale/scrapping of property, plant and equipment, net	
Selling, distribution and advertisement expenses	
Miscellaneous expenses	

For the Year ended March 31, 2024	For the Year ended March 31, 2023
823.43	791.11
3,590.93	3,238.58
281.80	151.66
160.09	178.27
868.11	687.81
12.91	8.83
322.17	263.37
3,425.95	2,765.63
783.06	569.99
1,614.57	394.43
83.56	91.70
39.61	26.08
36.37	35.93
19.55	68.23
(19.55)	(68.23)
23.20	6.95
(4.59)	-
84.00	131.79
3.67	52.28
8,897.50	6,984.86
1,351.39	1,073.24
<b>22,397.73</b>	<b>17,452.51</b>

**Note (i) : Payment to auditors**

Statutory audit fee	
Limited review of quarterly results	
Reimbursement of expenses	

24.91	24.91
9.16	9.19
2.30	1.83
<b>36.37</b>	<b>35.93</b>





**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 34: Earnings per share**

**Computation of earnings per share**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Calculation of weighted average number of equity shares:</b>		
<b>Basic and diluted:</b>		
Number of equity shares outstanding at the beginning of the year	1,13,24,700	1,13,24,700
Number of shares issued during the year		
Weighted average number of equity shares outstanding at the end of the year	<b>1,13,24,700</b>	<b>1,13,24,700</b>
Profit attributable to equity shareholders	779.19	(4,156.30)
Earnings per equity share (face value of share Rs.10 each):		
- Basic earnings per share	6.88	(36.70)
- Diluted earnings per share	6.88	(36.70)

**Note 35: Contingent liabilities and commitments**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>a. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	397.46	247.08
(ii) Export obligation under EPCG	48.87	48.87
The total customs duty saved against EPCG licenses was Rs. 8.14 lakhs.		
(iii) Guarantees issued by the Banks	169.58	77.80
<b>b. Contingent Liabilities- Claims against the Company not acknowledged as debt in respect of (to the extent not provided for)</b>		
(i) Income tax*	2,361.05	2,361.05
(ii) Indirect tax cases*	85.89	85.89
(iii) Other matters	55.02	165.33

\* Tax paid under protest as at 31 March 2024: Rs. 244.73 lakhs (31 March 2023: Rs. 244.73 lakhs).

- 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.

- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

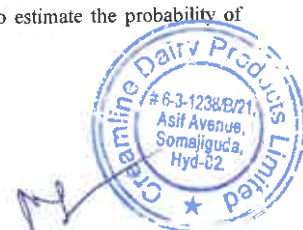
c. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the Contingent liability section in the financial statements. The impact of the same is not ascertainable.

**Note 36: Segment reporting**

The Company is in the business of processing and selling milk and milk products. The Chief Operating Decision Maker (CODM) of the Company who is the Chief Executive Officer of the Company makes the decisions relating to allocating and utilisation of the resources of the Company. The CODM reviews the results of all milk and milk products together and therefore the Company has identified that it has only one reportable segment. The revenue, results, assets and liabilities of the power business of the Company are not material in the context of the financial statements and hence is not a reportable segment. Further, the Company operates within India and does not have operations in economic environments with different risk and returns. Hence, it is considered as operating in a single geographical segment.

**Note 37: Provision for expected credit losses of trade receivables and contract assets**

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customers that have similar loss patterns (i.e., by geography, customer type, rating etc.) The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered external credit information for its customers to estimate the probability of default in future.



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 38: Right to use asset and Lease liabilities**

The following are the changes in the carrying value of right-of-use assets for the year ended:

Particulars	Buildings
<b>Cost</b>	
As at 1 April 2023	721.88
Additions	85.29
Disposals	(59.46)
<b>Balance at 31 March 2024</b>	<b>747.71</b>
As at 1 April 2022	598.82
Additions	123.06
Disposals	-
<b>Balance at 31 March 2023</b>	<b>721.88</b>
<b>Accumulated amortisation</b>	
As at 1 April 2023	508.06
Amortisation	120.00
Impairment loss	-
Eliminated on disposals of assets	(31.09)
<b>Balance at 31 March 2024</b>	<b>596.97</b>
As at 1 April 2022	366.25
Amortisation	141.81
Impairment loss	-
Eliminated on disposals of assets	-
<b>Balance at 31 March 2023</b>	<b>508.06</b>
<b>Carrying amounts</b>	
Balance at 31 March 2024	150.74
Balance at 31 March 2023	213.82

The following is the rental expense recorded for short-term leases and low value leases for the year ended 31 March 2024

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Short-term lease expense	281.80	151.66
<b>Total lease expense</b>	<b>281.80</b>	<b>151.66</b>

Following are the changes in the lease Liability for the year ended March 31, 2024:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Balance	241.55	257.98
Additions	85.29	123.06
Finance cost accrued during the period	16.12	18.38
Deletions	(28.37)	-
Lease payments	(131.16)	(157.87)
<b>Closing Balance</b>	<b>183.43</b>	<b>241.55</b>
Non - Current	109.27	132.23
Current	74.16	109.32

The following is the cash outflow on leases during the year ended March 31, 2024:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Payment of lease liabilities	131.16	157.87
Interest on lease liabilities	16.12	18.38
Short-term lease expense	281.80	151.66
<b>Total cash outflow on leases</b>	<b>429.08</b>	<b>327.91</b>

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2024 on an undiscounted basis:

Particulars	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
<b>As at 31 March 2024</b>					
Lease liabilities	84.46	59.82	48.36	13.88	7%
<b>As at 31 March 2023</b>					
Lease liabilities	122.51	74.00	69.80	0.00	7%



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 42 : Tax expense**

The major component of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

**(a) Amounts recognised in the statement of profit and loss:**

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Tax expense</b>		
Current tax:		
- For current year	-	-
<b>Deferred income tax liability / (asset), net</b>		
In respect of current year	-	-
- Origination and reversal of temporary differences	204.09	(1,470.49)
Adjustment in respect of earlier years	89.55	-
- Origination and reversal of temporary differences	293.64	(1,470.49)
<b>Deferred tax</b>		
	293.64	(1,470.49)
<b>Tax expense for the year</b>	<b>293.64</b>	<b>(1,470.49)</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate are as follows:

**A) Current tax**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit/(Loss) before tax	1,022.83	(5,626.79)
Income tax rate of Company's domestic tax rate	25.17%	25.17%
Tax using Company's domestic tax rate	270.01	(1,416.15)
<b>Tax effects of:</b>		
Non-deductible expenses (net)	1.68	1.33
Indefinite benefit on freehold land	(67.60)	(55.67)
<b>Total</b>	<b>204.09</b>	<b>(1,470.49)</b>
Adjustment of tax expense relating to earlier periods	89.55	-
	<b>293.64</b>	<b>(1,470.49)</b>

**B) Deferred tax**

Particulars	Balance as at 1 April 2022	Accounted through statement of profit and loss	Accounted through OCI	Balance as at 31 March 2023	Accounted through statement of profit and loss	Tax adjustments for earlier years	Accounted through OCI	Balance as at 31 March 2024
<b>Deferred tax liabilities:</b>								
Accelerated depreciation for tax purposes	1,009.40	(77.90)	-	931.50	(119.40)	-	-	812.10
<b>Deferred tax assets:</b>								
Indefinite benefit on freehold land	(477.51)	(53.67)	-	(533.18)	(67.60)	-	-	(600.78)
Provision for employee benefits	(141.65)	4.50	2.16	(134.99)	0.18	-	(7.66)	(142.47)
Impact on account of transition to IndAS 116 (refer note 38)	(6.39)	(0.59)	-	(6.98)	(1.25)	-	-	(8.23)
Expenditure allowable on payment basis	-	-	-	-	-	-	-	(6.14)
Loss allowance for trade receivables and advances	(58.42)	(16.17)	-	(74.59)	(15.07)	-	-	(89.66)
Utilization/Recognition of deferred tax asset on tax losses and unabsorbed depreciation	(1,194.77)	(1,324.66)	-	(2,519.43)	413.37	89.55	-	(2,016.51)
<b>Deferred tax liabilities/(assets) net</b>	<b>(869.34)</b>	<b>(1,470.49)</b>	<b>2.16</b>	<b>(2,137.67)</b>	<b>204.09</b>	<b>89.55</b>	<b>(7.66)</b>	<b>(2,051.69)</b>

**Notes:**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

The Company in the previous years has recognised Deferred Tax Assets based on unabsorbed depreciation and carry forward losses incurred in the previous years based on the probability of sufficient taxable profit in future periods against which such unabsorbed depreciation and carry forward losses will be set off. Accordingly, INR 2,141.29 lakhs deferred tax has been recognised as at 31 March 2024. Management expects to absorb the deferred tax assets created on unabsorbed depreciation and carry forward losses by March 2027.



**Creamline Dairy Products Limited****Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note. 39 Assets and liabilities related to employee benefits****A) Defined Contribution Plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the statement of profit and loss is Rs. 457.05 lakhs (31 March 2023 : Rs.424.5 lakhs).

**B) Defined benefit plan**

The Company provides gratuity for its employees as per the Payment of Gratuity Act, 1972. Effective 1st October 2019, all employees are eligible for gratuity after completion of continuous service for a period of 5 years. Effective from November 2021, the vesting criteria was changed from 5 years to 4 years and 240 days. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity payable to employees beyond 4 years and 240 days years of employment is a funded plan and the Company makes contributions to LIC of India.

**Funding**

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

**Net defined benefit obligation as at balance sheet date:**

	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation	829.97	797.82
Fair value of plan assets	(412.41)	(451.00)
<b>Net defined benefit (obligation)/assets</b>	<b>417.56</b>	<b>346.82</b>

**Movement in net defined benefit obligation and plan assets:**

The following table shows a reconciliation from the opening balances to the closing balances:

	Defined benefit obligation		Fair value of plan assets	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Opening balance	797.82	722.53	451.00	390.56
Current service cost	103.37	102.99	-	-
Past service cost	-	-	-	-
Interest cost/ Interest income on plan assets	58.36	44.04	32.99	23.81
Benefits paid	(151.92)	(74.55)	(151.92)	(68.72)
Contributions paid by the employer	-	-	88.45	103.61
<b>Actuarial loss (gain) arising from:</b>				
Demographic assumptions	-	-	-	-
Financial assumptions	4.55	(37.58)	-	-
Experience adjustment	17.79	30.74	-	-
Acquisition adjustment	-	9.65	-	-
Return on plan assets excluding interest	-	-	(8.11)	1.74
<b>Closing balance</b>	<b>829.97</b>	<b>797.82</b>	<b>412.41</b>	<b>451.00</b>

**Effect of any Amendments, Curtailments and Settlements:****Expense recognized in the statement of profit and loss:**

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current service cost	103.37	102.99
Past service cost	-	-
Net interest cost	25.37	20.24
	<b>128.74</b>	<b>123.23</b>



**Creamline Dairy Products Limited**  
**Notes to the financial statements (continued)**  
 (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note. 39 Assets and liabilities related to employee benefits (Continued)**

**Re-measurements recognised in other comprehensive income :**

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Actuarial loss/(gain) arising from Defined Benefit Obligation	(22.34)	6.84
Return on plan assets excluding interest income	(8.11)	1.74
	<b>(30.45)</b>	<b>8.58</b>

**Plan assets:**

Plan assets comprise of the following:

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Group Gratuity cum Life Assurance with LIC	412.41	451.00
Coverage of plan asset	100%	100%

**Summary of actuarial assumptions:**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Discount rate	7.15%	7.30%
Future salary growth	5.00%	5.00%
Rate of employee turnover	20.00%	20.00%
Weighted average duration	5.91	5.87
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

**Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	For the Year ended March 31, 2024		For the Year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(29.47)	31.72	(28.89)	31.12
Future salary growth (1% movement)	32.08	(30.33)	31.51	(29.77)
Rate of employee turnover (50% of attrition rate)	4.54	(21.34)	8.02	(27.22)
Future Mortality (10% movement)	0.09	(0.09)	0.09	(0.09)

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

**Expected contribution**

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the Management to be Rs.100 lakhs (31 March 2024: Rs.88.45 lakhs).

**Expected future cash flows:**

The expected future cash flows in respect of gratuity as at Balance sheet dates were as follows (undiscounted):

Expected future benefit payments	As at 31 March 2024	As at 31 March 2023
	1st Following year	231.33
2nd Following year	164.09	162.82
3rd Following year	133.29	136.80
4th Following year	112.58	109.78
5th Following year	96.78	91.46
Thereafter	384.78	387.85
	<b>1,122.85</b>	<b>1,096.02</b>

**C) Other long-term employee benefits:**

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and the amount charged to the statement of profit and loss is Rs. 64 lakhs (31 March 2023 Rs. 74.87 lakhs)





**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 40: Financial instruments – Fair values and risk management**

**Note 40.1: Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the 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.

As at 31 March 2024:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>							
Trade receivables	-	1,608.30	1,608.30	-	-	-	-
Cash and cash equivalents	-	373.43	373.43	-	-	-	-
Bank balances other than cash and cash equivalents	-	76.23	76.23	-	-	-	-
Current Investments	800.74	-	800.74	800.74	-	-	800.74
Other financial assets	-	496.93	496.93	-	-	-	-
	<b>800.74</b>	<b>2,554.89</b>	<b>3,355.63</b>	<b>800.74</b>	-	-	<b>800.74</b>
<b>Financial liabilities:</b>							
Borrowings	-	24,160.56	24,160.56	-	-	-	-
Trade payables	-	7,425.90	7,425.90	-	-	-	-
Other financial liabilities and lease liabilities	-	4,390.71	4,390.71	-	-	-	-
	-	<b>35,977.17</b>	<b>35,977.17</b>	-	-	-	-
<b>As at 31 March 2023:</b>							
As at 31 March 2023:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>							
Trade receivables	-	1,754.73	1,754.73	-	-	-	-
Cash and cash equivalents	-	963.14	963.14	-	-	-	-
Bank balances other than cash and cash equivalents	-	76.62	76.62	-	-	-	-
Other financial assets	-	467.65	467.65	-	-	-	-
	-	<b>3,262.14</b>	<b>3,262.14</b>	-	-	-	-
<b>Financial liabilities:</b>							
Borrowings	-	22,858.45	22,858.45	-	-	-	-
Trade payables	-	6,338.84	6,338.84	-	-	-	-
Other financial liabilities and lease liabilities	-	3,710.03	3,710.03	-	-	-	-
	-	<b>32,907.32</b>	<b>32,907.32</b>	-	-	-	-

**Note**

The Company has not disclosed the fair values of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, borrowings, trade payables, other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

**Note 40.2: Financial risk management objectives and policies**

The Company has exposure to the following risks arising from financial instruments:

- A) Credit risk
- B) Liquidity risk
- C) Market risk
  - (i) Currency risk
  - (ii) Interest rate risks

**Risk management framework:**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee 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.



**Creamline Dairy Products Limited**  
**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 40: Financial instruments – Fair values and risk management (Continued)**

**Note 40.2: Financial risk management objectives and policies (Continued)**

**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, and arises principally from the Company's receivables from customers and other financial assets.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed 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. The Company operates only in one geographical location i.e. in India.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Further the Company segments the customers into Distributors, Agents, Modern trade parties and others for credit monitoring.

The Company maintains security deposits for sales made to its customers. The Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company also establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The carrying amounts of trade receivables as disclosed in Note no 10 represent the maximum credit risk exposure.

**Impairment**

**Expected credit loss assessment for customers** : Few customers are PSU and as per past experience, there has been no credit loss on account of customer's inability to pay i.e. there has been no material bad debts in past and therefore, no provision is generally made on this account. Provision is made for expected delay in realisation of trade receivables beyond contractual terms. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables on a provision matrix. The expected credit loss on the aging of the days the receivables are due and the rates as given in the provision matrix.

The ageing of trade receivables that are past due and expected credit loss are given below:

Year	1 to 30 days	31 to 90 days	91 to 180 days	Above 180 days	Gross receivables	Loss Allowance	Net trade receivables
<b>As at 31 March 2024 :</b>							
Gross carrying amount	1,106.83	265.61	97.06	459.05	1,928.55	(320.25)	1,608.30
Weighted average loss rate	1%	6%	23%	60%	17%		
Loss allowance	7.81	15.01	22.17	275.26	320.25		
<b>As at 31 March 2023 :</b>							
Gross carrying amount	1,488.51	200.07	80.20	241.75	2,010.53	(255.80)	1,754.73
Weighted average loss rate	1%	10%	50%	77%	13%		
Loss allowance	9.78	20.43	40.35	185.24	255.80		

The movement in loss allowance in respect of trade receivables is as follows:

	As at 31 March 2024	As at 31 March 2023
Opening	255.80	191.56
Loss allowance (reversed) /recognised	84.00	132.47
Amounts utilized for write-off of debts	(19.55)	(68.23)
Closing	320.25	255.80

**Other financial assets**

This comprises mainly of balances with banks, deposits with Government authorities and other receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are banks and government organizations. The Company considers that its balances with banks have low credit risk based on the external credit ratings of the counterparties.

The movement in respect of loss allowance is as follows:

	As at 31 March 2024	As at 31 March 2023
Opening	35.56	35.56
Loss allowance recognised/ (reversed)	(4.59)	-
Amounts written off	-	-
Closing	30.97	35.56



**Creamline Dairy Products Limited****Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 40: Financial instruments – Fair values and risk management (Continued)****Note 40.2: Financial risk management objectives and policies (Continued)****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 incurring unacceptable losses or risking damage to the Company's reputation.

The Company has sufficient current assets to manage the liquidity risk, if any in relation to current financial liabilities.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements.

As at 31 March 2024:	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>						
Non Current Borrowings (including current maturities)	19,160.56	1,591.92	1,577.21	7,438.51	11,845.08	-
Current borrowings	5,000.00	5,000.00	-	-	-	-
Trade payables	7,425.90	7,425.90	-	-	-	-
Other financial liabilities	4,207.28	4,032.28	-	87.50	87.50	-
Lease liabilities	183.43	46.56	37.91	59.82	48.36	13.88
	<b>35,977.17</b>	<b>18,096.66</b>	<b>1,615.12</b>	<b>7,585.83</b>	<b>11,980.94</b>	<b>13.88</b>
As at 31 March 2023:	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities:</b>						
Non Current Borrowings (including current maturities)	12,858.45	5,117.36	627.43	1,113.66	6,000.00	-
Current borrowings	10,000.00	10,000.00	-	-	-	-
Trade payables	6,338.84	6,338.84	-	-	-	-
Other financial liabilities	3,468.48	3,380.48	-	44.00	44.00	-
Lease liabilities	241.55	59.09	50.23	67.14	65.09	-
<b>Total</b>	<b>32,907.32</b>	<b>24,895.77</b>	<b>677.66</b>	<b>1,224.80</b>	<b>6,109.09</b>	<b>-</b>

**C) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Our Board of Directors and Audit Committee are responsible for overseeing our risk assessment and management policies. Our major market risks of foreign exchange and interest rate risk are managed by our treasury department, which evaluates and exercises independent control over the entire process of market risk management.

**Currency risk:**

The functional currency of group is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are Indian Rupees. The Company is exposed to currency risk in respect of transactions in foreign currency. The transactions of the Company primarily in foreign currency are import of machineries and spares. There are no foreign currency revenue. There are no foreign currency receivables or payables as at 31 March 2024 and 31 March 2023.



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 40: Financial instruments – Fair values and risk management (Continued)**

**Note 40.2: Financial risk management objectives and policies (Continued)**

**C) Market risk (continued)**

**Interest rate risk:**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	As at 31 March 2024	As at 31 March 2023
<b>Fixed-rate instruments</b>		
Long-term borrowings	15,544.07	2,500.00
Short-term borrowings	5,000.00	10,000.00
<b>Variable -rate instruments</b>		
Long-term borrowings	3,616.49	10,358.45
Short-term borrowings		
	<b>24,160.56</b>	<b>22,858.45</b>

**Cash flow sensitivity analysis for variable-rate instruments:**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	31 March 2024		31 March 2023	
	Profit/ (loss)	Profit/ (loss)	Profit/ (loss)	Profit/ (loss)
	Strengthening	Weakening	Strengthening	Weakening
Variable-rate instruments ( Movements - 100 basis points)	(36.16)	36.16	(103.58)	103.58
<b>Cash flow sensitivity (net)</b>	<b>(36.16)</b>	<b>36.16</b>	<b>(103.58)</b>	<b>103.58</b>

**Fair value sensitivity analysis for fixed-rate instruments:**

The Company does not have any fixed-rate instruments measured at FVTPL and therefore a change in interest rates would not affect the fair value of the instrument

**Note 41 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt as defined as interest-bearing loans and borrowings less cash and cash equivalents. Adjusted Equity comprises all components of equity.

Particulars	As at 31 March 2024	As at 31 March 2023
	Interest bearing loans and borrowings	24,160.56
Less: cash and cash equivalents	(373.43)	(963.14)
<b>Adjusted net debt</b>	<b>23,787.13</b>	<b>21,895.31</b>
Total equity	11,710.47	10,954.07
<b>Adjusted net debt to total equity ratio</b>	<b>2.03</b>	<b>2.00</b>



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 43 : Related party disclosures**

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows:

**I. Name of related parties and nature of relationships:**

**(i) Ultimate Holding Company:**

Godrej Industries Limited

**(ii) Holding Company:**

Godrej Agrovet Limited (GAVL)

**(iii) Key Management Personnel and relatives of such Personnel**

1	K. Bhasker Reddy	(Managing Director)
2	M. Gangadhar	(Executive Director – till 9th September 2022)
3	D. Chandra Shekhar Reddy	(Executive Director)
4	Bhupendra Suri	(Whole-time Director & CEO & Whole Time Director)
5	Mangaraj Chinthala	(Executive Director)
6	Pulamanthole Pisharath Manoj	(Chief Financial Officer)
7	Neha Poojary	(Company Secretary)
8	Sandhya Kondapalli	(Wife of K. Bhasker Reddy)
9	Rama Kumari Mandava	(Executive Director from 2nd November 2022)
10	Deepika Devireddy	(Wife of D. Chandra Shekhar Reddy)
11	D. Ravitej Reddy	(Son of Mr. D. Chandra Shekhar Reddy)
12	D. Uthej	(Son of Mr. D. Chandra Shekhar Reddy)
13	K. Prateek	(Son of Mr. K. Bhasker Reddy)
14	K. Rinny	(Daughter of Mr. K. Bhasker Reddy)
15	M. K. Chaitanya	(Son of Mr. Gangadhar Mandava)
16	M. V. Aditya	(Son of Mr. Gangadhar Mandava)
17	C. Mounika	(Daughter of Mrs. C. Manga Raj)
18	C. Nithin	(Son of Mrs. C. Manga Raj)

**(iv) Directors**

- 1 N.B. Godrej - Chairman (Non-Executive & Non-Independent)
- 2 B. S. Yadav - Non-Executive & Non-Independent Director
- 3 S. Varadaraj - Non-Executive & Non-Independent Director
- 4 Kannan Sitaram - Independent Director
- 5 Jude Fernandes - Independent Director

**(v) Other entities controlled by Key management personnel and their relatives**

- 1 Khammam Milkline Private Limited
- 2 Dhulipalla Milkline Private Limited
- 3 Mohan Milkline Private Limited
- 4 Vidya Milkline Private Limited
- 5 Ongole Milkline Private Limited
- 6 Pamuru Milkline Private Limited
- 7 Kavali Milkline Private Limited
- 8 Pragathi Milkline Private Limited
- 9 Prima Food tech Private Limited
- 10 Wereco Foods Private Limited
- 11 Orga Farms Private Limited
- 12 Asha Holdings Private Limited

**(vi) Fellow Subsidiary Companies**

- 1 Astec LifeSciences Limited
- 2 Godrej Tyson Foods Limited
- 3 Godrej Maxximilk Private Limited
- 4 Godrej & Boyce Manufacturing Company Limited
- 5 Godrej Consumer Products Limited





II. Related party transactions during the year:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A Ultimate Holding Company:</b>		
Godrej Industries Limited		
Provision of services	-	0.05
<b>B Holding Company - Godrej Agrovet Limited</b>		
Reimbursement of expenses (net)	123.12	100.78
Purchase of traded goods	2,759.17	2,473.85
Inter corporate deposit received	1,000.00	7,300.00
Interest on inter corporate deposit	557.05	238.30
Sale of fixed assets	1.15	
Sale of products	3.61	7.86
<b>C Fellow subsidiaries &amp; other related parties</b>		
<b>Godrej &amp; Boyce Manufacturing Company Limited</b>		
Availment of services	-	0.53
Purchase of products	5.64	7.07
<b>Godrej Consumer Products Limited</b>		
Purchase of products	-	-
Reimbursement of expenses	1.67	0.83
<b>Godrej Tyson Foods Limited</b>		
Sale of power	97.74	167.04
Sale of products	1.81	1.60
Reimbursement of expenses	-	14.82
<b>Godrej Maximilk Private Limited</b>		
Inter corporate deposit received	-	200.00
Interest cost on inter corporate deposit	-	2.07
Purchase of milk	549.51	392.18
<b>Astec Lifesciences Limited</b>		
Inter corporate deposit received	-	2,500.00
Interest cost on inter corporate deposit	-	26.32
<b>D Key Management Personnel ('KMP') and relatives</b>		
Short Term Employee Benefits	627.00	670.80
Post Employee Benefits	13.57	-
<b>Note:</b> Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.		
<b>Professional Consultancy Fees:</b>		
D. Ravitej Reddy	19.80	6.18
D. Uithej	-	6.18
K. Prateek	12.00	6.91
K. Rinny	12.00	6.91
M. K. Chaitanya	19.80	7.58
M. V. Aditya	19.80	7.58
C. Mounika	19.80	12.75
C. Nithin	19.80	12.75
Deepika Devireddy	19.80	6.18
Sandhya Kondapalli	19.80	6.91



Creandine Dairy Products Limited  
Notes to the financial statements (continued)  
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)  
Note 43 : Related party disclosures (Continued)

**E Enterprise over which KMP exercise significant influence with relatives**

<b>Purchases of milk and services</b>		
Ongole Milkline Private Limited	393.85	864.95
Mohan Milkline Private Limited	4,494.68	3,589.72
Vidya Milkline Private Limited	1,191.62	1,152.03
Khammam Milkline Private Limited	1,563.93	1,223.14
Pamuru Milkline Private Limited	1,538.43	1,469.17
Kavali Milkline Private Limited	2,114.04	1,599.59
Pragathi Milkline Private Limited	49.69	201.55
<b>Asha Holding Private Limited</b>		
Availment of services	10.40	-
<b>Orga Farms Private Limited</b>		
Availment of services	16.60	-
<b>Wereco Foods Private Limited</b>		
Availment of services	10.40	-
<b>Sale of products</b>		
Khammam Milkline Private Limited	5.82	6.78
<b>G Director Sitting Fees</b>	14.50	14.50

**III. Related party balances at the end of the year:**

Particulars	As at	
	31 March 2024	31 March 2023
<b>A Ultimate Holding Company:</b>		
<b>Godrej Industries Limited</b>		
Trade Payable	-	7.42
<b>B Holding Company - Godrej Agrovet Limited</b>		
Trade payables, net	233.07	210.43
Inter Corporate Deposits (Including interest payable)	5,191.77	7,500.00
<b>C Fellow subsidiaries &amp; other related parties</b>		
<b>Godrej Tyson Foods Limited</b>		
Trade receivable	3.28	17.98
<b>Godrej Maximilk P Ltd</b>		
Trade payables	15.06	-
<b>Godrej &amp; Boyce Manufacturing Company Limited</b>		
Capital payables	-	6.55
<b>Godrej Consumer Product Limited</b>		
Trade receivable	0.28	0.14
<b>D Enterprise over which KMP exercise significant influence with relatives:</b>		
<b>Trade payables:</b>		
Kavali Milkline Private Limited	6.40	14.32
Khammam Milkline Private Limited	47.58	27.68
Mohan Milkline Private Limited	60.04	17.74
Pamuru Milkline Private Limited	22.58	15.98
Pragathi Milkline	1.39	1.18
Vidya MilkLine Private Limited	11.69	9.83
Ongole MilkLine Private Limited.	3.33	1.27



**Creamline Dairy Products Limited**

**Notes to the financial statements (continued)**

(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

**Note 44 : Corporate Social Responsibility (CSR) expenditure**

As per Section 135 of the Companies Act 2013, the Company has formed a CSR Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure. The average net profits of three immediately preceding financial years arrives to net loss and accordingly the Company has not spent any amount under CSR for the current and previous financial year.

**Note 45 : Dues to micro and small enterprises**

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	623.76	625.66
- Interest	8.87	7.34
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
the amounts of the payments made to micro and small suppliers 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 MSMED Act, 2006;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
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 enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

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.

**Note 46 : Borrowings movement**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities for movement in the statement of cash flow are given below:

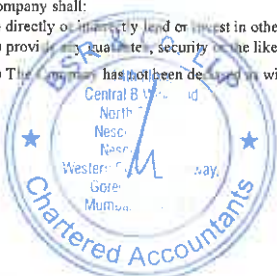
**Reconciliation of movements of liabilities to cash flows arising from financing activities**

Particulars	Bank Overdrafts	Other Loans and borrowings	Non - Convertible Debentures	Lease Liabilities	Total
<b>Balance as at 31 March 2023</b>	-	22,877.87	-	241.55	23,119.42
<b>Changes from financing cash flows</b>					
Proceeds from issue of Non convertible debentures	-	-	9,900.00	-	9,900.00
Proceeds from loans and borrowings	-	2,500.00	-	-	2,500.00
Repayment of borrowings	-	(11,748.50)	-	-	(11,748.50)
Payment of lease liabilities	-	-	-	(131.16)	(131.16)
New leases	-	-	-	85.29	85.29
Deletion of leases	-	-	-	(28.37)	(28.37)
Interest expense	53.46	1,533.00	452.30	16.12	2,054.88
Interest paid	(53.46)	(1,354.11)	-	-	(1,407.57)
<b>Balance as at 31 March 2024</b>	-	13,808.26	10,352.30	183.43	24,343.99

Particulars	Bank Overdrafts	Other Loans and borrowings	Lease Liabilities	Total
<b>Balance as at 1 April 2022</b>	7,500.00	13,083.41	257.98	20,841.39
<b>Changes from financing cash flows</b>				
Proceeds from loans and borrowings	-	16,125.90	-	16,125.90
Repayment of borrowings	(7,500.00)	(6,323.50)	-	(13,823.50)
Payment of lease liabilities	-	-	(157.87)	(157.87)
New leases	-	-	123.06	123.06
Deletion of leases	-	-	-	-
Interest expense	247.21	1,010.92	18.38	1,276.51
Interest paid	(247.21)	(1,018.86)	-	(1,266.07)
<b>Balance as at 31 March 2023</b>	-	22,877.87	241.55	23,119.42

**Note 47 : Other Statutory Information**

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has 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).
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - 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 to or on behalf of the Ultimate Beneficiaries
- The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.



**Note 48 Ratios Analysis and its elements**

S.No	Ratios	As at 31 March 2024	As at 31 March 2023	% change	Remarks
1	Current ratio	0.99	0.59	70%	The variance is on account of repayment of short-term borrowings and raising of long-term borrowings during the year.
2	Debt-equity ratio	2.06	2.09	-1%	NA
3	Debt service coverage ratio	0.81	0.14	481%	Refer Note I below
4	Return on Equity (%)	6.88%	-31.90%	NM *	Refer Note I below
5	Inventory turnover	11.21	10.96	2%	NA
6	Trade receivables turnover ratio	93.54	101.10	-7%	NA
7	Trade payables turnover ratio	17.22	20.12	-14%	NA
8	Net capital turnover ratio	(1,514.99)	(13.61)	NM *	Refer Note I below
9	Net profit margin	0.68%	-3.75%	NM *	Refer Note I below
10	Return on capital employed (%)	8.77%	-12.97%	NM *	Refer Note I below
11	Return on investment (%)	5.97%	3.72%	NA	NA

Reasons for variance is given for ratios having % change more than 25%

\* NM - Non Measurable

- 1 Current Ratio: Current Assets ÷ Current Liabilities
- 2 Debt equity ratio: Total Debt ÷ Total equity (Total Debt: Long term borrowings+ Short term borrowings)
- 3 Debt Service coverage ratio: Earnings available for debt service ÷ Debt Service (Debt Service = Interest & Lease Payments + Principal Repayments)  
Earning for Debt Service = Net Profit after taxes + Depreciation + Interest + Loss on sale of Fixed assets etc.
- 4 Return on Equity (%): Net Profit after taxes ÷ Average Shareholder's Equity
- 5 Inventory turnover : Revenue from operations ÷ Average Inventory (annualised)
- 6 Trade receivables turnover ratio: Revenue from operations ÷ Average Trade receivables (annualised)
- 7 Trade payables turnover ratio: Purchases ÷ Average Trade payables
- 8 Net capital turnover ratio: Revenue from operations ÷ Net working capital
- 9 Net Profit margin: Net profit before tax for the year ÷ Revenue from operations
- 10 Return on capital employed (%): EBIT ÷ Capital Employed\*  
\*Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- 11 Return on investment (%): Income generated from investments/closing value of investments

**Note I** - Debt service coverage ratio, return on equity, Net capital turnover ratio, Net profit margin and Return on capital employed for the current financial year have improved than of previous year. The profit has significantly improved due to favourable market conditions and internal margin improvement initiatives taken during the year

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



**Rahul Choudhary**  
Partner  
Membership No.: 408408  
Place: Mumbai



**K. Bhasker Reddy**  
Managing Director  
DIN: 00014291  
Place : Mumbai



**S. Chandra Shekhar Reddy**  
Executive Director  
DIN: 00063691  
Place : Mumbai



**Bhupendra Sani**  
Whole-time director and  
Chief Executive Officer  
DIN: 09035926  
Place : Mumbai



**P.P. Manoj**  
Chief Financial Officer  
Place : Mumbai



**Neha Poojary**  
Company Secretary  
Place: Mumbai

Date: 23 April 2024