

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 2026, 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 2026, 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.

Key audit matter

See Note 2(g) to financial statements

The key audit matter

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

How the matter was addressed in our audit

Our audit procedures included following:

- Assessing the appropriateness of the Company's accounting policies in respect of revenue recognition by comparing with applicable accounting standards;
- Evaluating the design, testing the implementation and operating effectiveness

Registered Office:

Independent Auditor's Report (Continued)**Creamline Dairy Products Limited**

customers, this can be either at the time of dispatch or delivery of goods.

We have identified the existence of revenue recognition from sale of products at year end 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.

of 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;

- 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.
- We carried out analytical procedures on revenue recognised to identify unusual variances.
- 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.
- Performed overall reconciliation of cash and debtors to sales recognized during the year.
- Examining journal entries (using statistical sampling) posted to revenue to identify unusual or irregular items.
- Evaluating adequacy of disclosures given in Note 27 to the financial statements.

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/ loss 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 are 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

Independent Auditor's Report (Continued)

Creamline Dairy Products Limited

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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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 1 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls 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 2026 on its financial position in its financial statements - Refer Note 36 to the financial statements.

Independent Auditor's Report (Continued)

Creamline Dairy Products Limited

- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, 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 the Note 48 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 48 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 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 interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. Based on our examination which included test checks, the Company has used accounting software, which is operated by a third party software service provider, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software except that in the absence of reporting on the audit trail feature in the Independent Auditor's Report for the database level of a third party accounting software, we are unable to comment on whether the feature of recording audit trail (edit log) facility on the said software was enabled and operated throughout the year at the database level and whether there were any instances of the audit trail feature being tampered with.

Further, where audit trail (edit log) facility was enabled and operated throughout the period i.e. 1 April 2025 to 31 March 2026 for the accounting software, we did not come across any instance of the audit trail feature being tampered with.

Additionally, the audit trail in relation to the previous years has been preserved by the Company as per the statutory requirements for record retention.

Independent Auditor's Report (Continued)

Creamline Dairy Products Limited

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 by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. 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

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Kaushal Mehta

Partner

Place: Mumbai

Date: 28 April 2026

Membership No.: 118321

ICAI UDIN:26118321EIAMAD5774

Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2026

(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 material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than 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 (INR in lakhs)	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.
Property, Plant and Equipment (Freehold land)	6.57	K. Bhasker Reddy	Promoter and Director (till 2 June 2025)	Since 30 June 2006	In the process 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 and 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

Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2026 (Continued)

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 provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in other parties (mutual funds). The Company has not made any investments in companies, firms or limited liability partnership during the year. Accordingly, provisions of clauses 3(iii)(a), (b), (e) and (f) of the Order are not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (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.
- (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, the 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 2026 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:

**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2026
(Continued)**

Name of the statute	Nature of the dues	Amount Rs in lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	10.41	AY 2017-18	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Tax	38.21	AY 2005-06	High Court of Andhra Pradesh and Telangana
Income Tax Act, 1961	Tax	52.76	AY 2016-17	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Tax	14.51	AY 2018-19	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Tax	10.99	AY 2008-09	Assessing Officer, Hyderabad
Income Tax Act, 1961	Tax	22.13	AY 1995-2001	Assessing Officer, Hyderabad
APVAT Act, 2005	Tax	20.07	FY 2004-05	High Court of Andhra Pradesh and Telangana
APVAT Act, 2005	Tax	8.66	FY 2005-06	High Court of Andhra Pradesh and Telangana
APVAT Act, 2005	Tax	15.95	FY 2014-16	Deputy Commissioner (Appellate) – Vijayawada
APVAT Act, 2005	Tax	17.39	FY 2016-17, 2017-18	Deputy Commissioner (Appellate) – Vijayawada
APVAT Act, 2005	Tax	0.93	AY 2015-18	Assistant Commissioner (Commercial Taxes) Eluru
APVAT Act, 2005	Tax	15.26	AY 2016-18	Deputy Commissioner (Appellate) – Vijayawada
AP GST Act, 2017	Tax	7.94	FY 2017-2019	Deputy Commissioner (St), Eluru Circle: Eluru

**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2026
(Continued)**

Name of the statute	Nature of the dues	Amount Rs in lakhs	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Tax	2.97	FY 2014-15	Appellate Authority Vijaywada
Telangana (Agriculture produce & Livestock) Markets Act, 1966	Tax	12.11	FY 2020-21	Selection Grade Secretary, Agricultural Market Committee, Bowenpally
SGST Act, 2017	Tax	340.27	FY 2017-22	Appellate Authority-Chennai
Goods and Services Act, 2017	Tax	4.36	FY 2018-19	Commercial Tax Officer, Chennai
Goods and Services Act, 2017	Tax	67.09	FY 2017-18	Appellate Authority-Chennai
Goods and Services Act, 2017	Tax	0.32	FY 2019-20	Appellate Authority-Chennai
Goods and Services Act, 2017	Tax	10.86	FY 2020-21	Appellate Authority-Andhra Pradesh

- (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 financial statements of the Company, we report that no funds raised on short-term basis have

**Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2026
(Continued)**

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 2026. Accordingly, clause 3(ix)(e) is not applicable.
- (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.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (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) During the course of our 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 year.
- (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) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (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 defined in the regulations made by the Reserve Bank of India) has more than one CIC as part of the Group. The Group has 3 CICs as part of the Group. However, the Companies in the Group are exempted from registration as CIC and continues to meet the criteria for such exemption.

Annexure A to the Independent Auditor's Report on the Financial Statements of Creamline Dairy Products Limited for the year ended 31 March 2026 (Continued)

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial 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.:101248W/W-100022

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Kaushal Mehta

Partner

Place: Mumbai

Date: 28 April 2026

Membership No.: 118321

ICAIUDIN:26118321EIAMAD5774

Annexure B to the Independent Auditor's Report on the financial statements of Creamline Dairy Products Limited for the year ended 31 March 2026

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)(g) 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 2026 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 2026, 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 2026
(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.:101248W/W-100022

Kaushal
Surendra
Mehta

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Surendra Mehta
Date: 2026.04.28
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Kaushal Mehta

Partner

Place: Mumbai

Date: 28 April 2026

Membership No.: 118321

ICAI UDIN:26118321EIAMAD5774

Creamline Dairy Products Limited
Balance sheet as at 31 March 2026
(All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	25,475.61	25,492.65
Capital work-in-progress	4	97.89	387.90
Right-of-use asset	38	127.79	118.90
Other intangible assets	5	28.28	44.24
Financial assets			
Other financial assets	6	444.06	512.34
Deferred tax assets (net)	7	742.52	771.21
Other tax assets (net)		837.97	725.55
Other non-current assets	8	229.74	429.63
Total non-current assets		27,983.86	28,482.42
Current assets			
Inventories	9	9,230.88	9,157.72
Financial assets			
(i) Investments	14	1,000.32	-
(ii) Trade receivables	10	3,168.02	2,562.60
(iii) Cash and cash equivalents	11	141.32	919.87
(iv) Bank balances other than cash and cash equivalents	12	87.04	8.15
(v) Loans	13	-	1,000.23
(vi) Other financial assets	15	87.89	97.56
Other current assets	16	1,753.19	814.54
Assets classified as held-for-sale	3	563.73	155.37
Total current assets		16,032.39	14,716.04
Total assets		44,016.25	43,198.46
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,132.47	1,132.47
Other equity	18	12,266.49	12,038.99
Total equity		13,398.96	13,171.46
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	3,566.63	13,745.85
(ii) Lease liabilities	38	112.05	94.18
(iii) Other financial liabilities	24	-	100.00
Provisions	20	717.88	419.04
Other non-current liabilities	21	128.18	115.04
Total non-current liabilities		4,524.74	14,474.11
Current liabilities			
Financial liabilities			
(i) Borrowings	22	12,667.21	2,405.68
(ii) Lease liabilities	38	56.10	64.14
(iii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises and		999.25	884.97
b) Total outstanding dues of other than micro enterprises and small enterprises		6,708.75	6,900.99
(iv) Other financial liabilities	24	4,613.38	4,328.72
Other current liabilities	25	552.41	704.83
Provisions	26	360.31	263.56
Current tax liabilities		135.14	-
Total current liabilities		26,092.55	15,552.89
Total Liabilities		30,617.29	30,027.00
Total Equity and Liabilities		44,016.25	43,198.46

The notes 1 to 49 form 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

Kaushal
Surendra
Mehta
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Surendra Mehta
Date: 2026.04.28
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Kaushal Mehta

Partner

Membership No.: 118321

Place: Mumbai

for and on behalf of the Board of Directors of

Creamline Dairy Products Limited

CIN: U15201TG1986PLC006912

Sunil
Kataria

Sunil Kataria

Director

DIN: 06863609

Place: Mumbai

Gaurav
Pande

Gaurav Pande

Whole-Time Director and CEO

DIN: 08676829

Place: Hyderabad

Vinayak Gurunath
Nawale

Vinayak Gurunath Nawale

Company Secretary

ACS No: 67967

Place: Mumbai

Varadaraj
Subrama
nian

Varadaraj Subramanian

Director

DIN: 00323436

Place: Mumbai

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P. P. Manoj
Chief Financial Officer
Place: Hyderabad

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

Place: Hyderabad

Creamline Dairy Products Limited

CIN: U15201TG1986PLC006912

Statement of cash flows for the year ended 31 March 2026

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities :		
Profit before tax	1,034.72	2,785.15
Adjustment for:		
Depreciation and amortisation expense	3,682.03	3,641.37
(Profit)/Loss on sale of property, plant and equipment (net)	(1,284.09)	91.55
Profit on sale of investments (net)	(15.17)	(20.04)
Amortisation of government grants	(24.92)	(9.34)
Interest income	(35.92)	(40.41)
Finance costs	1,280.51	1,490.71
Allowances for doubtful debts and advances	32.64	72.71
Liabilities no longer required written back	(249.10)	(357.73)
Operating Profit before working capital changes	4,420.70	7,653.97
Working capital adjustments		
(Increase)/decrease in inventories	(73.16)	6,994.69
Increase in trade receivables	(605.42)	(954.30)
Increase in other non-current assets and current assets	(793.40)	(99.85)
(Increase)/decrease in other financial assets	(76.02)	29.96
(Decrease)/increase in trade payables	(77.96)	360.06
Increase in current and non-current provisions	403.37	41.77
Increase in other financial liabilities	470.88	521.53
Decrease in other current and non-current liabilities	(54.18)	(126.51)
Cash generated from operations	3,614.81	14,421.32
Income taxes paid (net of refunds received)	(247.56)	(67.86)
Net cash generated from operating activities	3,367.25	14,353.46
Cash flows from investing activities :		
Payments for property, plant and equipment (net of capital advances, capital creditors and capital work-in-progress)	(4,214.66)	(4,178.52)
Proceeds from sale of property, plant and equipment	1,788.08	163.55
Purchase and sale of short-term investments, net	(985.15)	820.78
Subsidy received	74.95	-
Inter-corporate deposits given (short term)	-	(1,000.23)
Proceeds from recovery of inter-corporate deposits given	1,000.23	-
Deposits in margin accounts with banks	72.59	(72.59)
Interest received	38.41	38.15
Net cash used in investing activities	(2,225.55)	(4,228.86)
Cash flows from financing activities :		
Proceeds/(repayment) of short-term borrowings (net)	33.47	(5,000.00)
Proceeds from long-term borrowings	2,500.00	3,800.00
Repayment of long-term borrowings	(2,450.15)	(1,614.10)
Repayment of inter-corporate deposits	-	(5,000.00)
Finance costs	(1,268.79)	(1,673.53)
Payment of lease liabilities	(83.61)	(90.53)
Dividend paid	(651.17)	-
Net cash used in financing activities	(1,920.25)	(9,578.16)
Net increase/(decrease) in cash and cash equivalents	(778.55)	546.44
Cash and cash equivalents at the beginning of the year (refer note 11)	919.87	373.43
Cash and cash equivalents at the end of the year (refer note 11)	141.32	919.87

Refer note 47 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 notes 1 to 49 form 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

Kaushal**Surendra****Mehta****Kaushal Mehta**

Partner

Membership No.: 118321

Place: Mumbai

Digitally signed by

Kaushal Surendra

Mehta

Date: 2026.04.28

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for and on behalf of the Board of Directors of

Creamline Dairy Products Limited

CIN: U15201TG1986PLC006912

Sunil**Kataria****Sunil Kataria**

Director

DIN: 06863609

Place: Mumbai

Digitally signed by Sunil Kataria
DN: cn=Sunil Kataria, o=Creamline Dairy Products Limited, ou=Directors, email=sunil.kataria@creamline.co.in, c=IN
Date: 2026.04.28 17:58:41 +05'30'**Varadaraj****Subramanian****Varadaraj Subramanian**

Director

DIN: 00323436

Place: Mumbai

Digitally signed by Varadaraj Subramanian
DN: cn=Varadaraj Subramanian, o=Creamline Dairy Products Limited, ou=Directors, email=varadaraj.subramanian@creamline.co.in, c=IN
Date: 2026.04.28 15:30:16 +05'30'**Gaurav Pande****Gaurav Pande**

Whole-Time Director and CEO

DIN: 08676829

Place: Hyderabad

Digitally signed by Gaurav Pande
DN: cn=Gaurav Pande, o=Creamline Dairy Products Limited, ou=Directors, email=gaurav.pande@creamline.co.in, c=IN
Date: 2026.04.28 10:40:10 +05'30'**PULAMANTHOLEP****ISHARATH P****MANOJ****P. P. Manoj**

Chief Financial Officer

Place: Hyderabad

Digitally signed by P. P. Manoj
DN: cn=P. P. Manoj, o=Creamline Dairy Products Limited, ou=Directors, email=p.p.manoj@creamline.co.in, c=IN
Date: 2026.04.28 15:30:16 +05'30'**Vinayak****Gurunath****Nawale****Vinayak Gurunath Nawale**

Company Secretary

ACS No: 67967

Place: Mumbai

Digitally signed by Vinayak Gurunath Nawale
DN: cn=Vinayak Gurunath Nawale, o=Creamline Dairy Products Limited, ou=Company Secretary, email=vinayak.gurunath.nawale@creamline.co.in, c=IN
Date: 2026.04.28 10:40:10 +05'30'

Creamline Dairy Products Limited
Statement of changes in equity for the year ended 31 March 2026
(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 year	Changes in Equity Share Capital due to prior year errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
As at 31 March 2026 *	1,132.47	-	1,132.47	-	1,132.47
As at 31 March 2025 *	1,132.47	-	1,132.47	-	1,132.47

* Refer Note 17

(b) Other equity

As at 31 March 2026	Reserves and Surplus					Total other equity
	Capital reserves	Securities premium	General reserve	Debenture Redemption Reserve	Retained earnings	
Balance as at 1 April 2025	(186.98)	5,720.20	1,443.72	990.00	4,072.05	12,038.99
Profit for the year	-	-	-	-	872.85	872.85
Other comprehensive income - Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	5.82	5.82
Total comprehensive income for the year	-	-	-	-	878.67	878.67
Transactions with the owners of the Company						
Contributions and distributions						
Dividends	-	-	-	-	(651.17)	(651.17)
Balance as at 31 March 2026	(186.98)	5,720.20	1,443.72	990.00	4,299.55	12,266.49

As at 31 March 2025	Reserves and Surplus					Total other equity
	Capital reserves	Securities premium	General reserve	Debenture Redemption Reserve	Retained earnings	
Balance as at 1 April 2024	(186.98)	5,720.20	1,443.72	990.00	2,611.06	10,578.00
Profit for the year	-	-	-	-	1,493.68	1,493.68
Other comprehensive income - Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	(32.69)	(32.69)
Total comprehensive income for the year	-	-	-	-	1,460.99	1,460.99
Balance as at 31 March 2025	(186.98)	5,720.20	1,443.72	990.00	4,072.05	12,038.99

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

Debenture 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).

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

Kaushal Surendra Mehta
Kaushal Surendra Mehta
Date: 2026.04.28
20:20:51 +05'30'
Kaushal Mehta
Partner
Membership No.: 118321
Place: Mumbai

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

Sunil Kataria

Sunil Kataria
Director
DIN: 06863609
Place: Mumbai

Gaurav Pande

Gaurav Pande
Whole-Time Director and CEO
DIN: 08676829
Place: Hyderabad

Vinayak Gurunath Nawale

Vinayak Gurunath Nawale
Company Secretary
ACS No: 67967
Place: Mumbai

Varadaraj Subramanian

Varadaraj Subramanian
Director
DIN: 00323436
Place: Mumbai

PULAMANTHOLEP ISHARATH P MANOJ
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P. P. Manoj
Chief Financial Officer
Place: Hyderabad

Date: 28 April 2026

Creamline Dairy Products Limited

Notes to the financial statements

1. Company Information:

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 Non-convertible debentures of the Company are listed on the National Stock Exchange (NSE).

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

Material Accounting Policies

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') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies were applied consistently to all the years presented in the financial statements. The financial statements are approved for issue by the Company's Board of Directors on 28 April 2026.

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 judgements 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. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

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

I. Assumptions and estimation 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 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, considering the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, 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 based on actuarial assumptions. Key actuarial assumptions include discount rates, 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**

Deferred tax assets and liabilities are recognised 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 recognised 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 utilised.

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 judgement. 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.

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. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows 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 recognised 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Creamline Dairy Products Limited

Notes to the financial statements

f) Current and non-current classification

Based on time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for 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 that 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 is measured on the basis of transaction price, which is the consideration, adjusted for volume discounts, rebates, schemes allowances, incentives, amounts collected on behalf of government and returns, if any, as specified in the contracts with the customers.

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, 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 reverts to the gross basis. Interest income is included in other income in the statement of profit and loss.

Creamline Dairy Products Limited

Notes to the financial statements

- **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 the 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 recognised on an undiscounted 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 cost of providing defined benefit plans is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. 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.

Creamline Dairy Products Limited

Notes to the financial statements

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.

l) Taxes on income:

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

Creamline Dairy Products Limited

Notes to the financial statements

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 related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised 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 realised 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 recognised directly in equity or OCI are recognised 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 comprise raw materials, packing materials, work-in-progress, finished goods, stores and spares and are measured at the lower of cost and net realisable value, in accordance with Ind AS 2– Inventories.

The cost of inventories includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, packing materials, work-in-progress, finished goods and stores is determined using the moving weighted average cost method applied at the individual batch level. The cost of work-in-progress and finished goods includes direct materials, direct labour and a systematic allocation of fixed and variable production overheads, allocated on the basis of normal production capacity.

Net realisable value (NRV) represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of the related finished goods.

Raw materials and other supplies held for use in the production of finished goods are not written down below cost unless there is a decline in selling prices or other circumstances indicating that the cost of finished goods will exceed their net realisable value. The comparison of cost and net realisable value is performed 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 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 measured 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:

- 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, they are accounted for 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.

• **Transition to Ind AS**

The cost of property, plant and equipment on 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).

• **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/ amortisation**

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on the 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 the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, the requirement of refurbishments and experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

Asset category	Estimated useful life in years
Crates, cans and milk-o-testers	4

p) Non-current assets held for sale

Non-current assets are classified as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable, and sale is expected to be completed within one year from the date of classification. Non-current assets held for sale are presented separately in the current section of the balance sheet.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, unless these items presented in the disposal group are deferred tax assets, assets arising from employee benefits and financial assets that are specifically exempt from the requirements. Non-current assets are not depreciated or amortised while they are classified as held for sale.

q) Intangible assets

- **Recognition and measurement**

Intangible assets other than Goodwill are recognised 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 recognised at cost initially and carried at cost less accumulated amortisation 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.

- **Transition to Ind AS**

The cost of Intangible assets, on 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).

- **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.

r) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period to get ready for its intended use are capitalised 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.

Creamline Dairy Products Limited

Notes to the financial statements

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences 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.

s) 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.

t) 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.

u) Trade Receivables:

Trade receivables are recognised when they are originated. Trade receivables that do not contain a significant financing component are initially measured at the transaction price in accordance with Ind AS 115, Revenue from Contracts with Customers. Subsequently, trade receivables are measured at amortised cost, net of loss allowance.

The Company applies the simplified approach under Ind AS 109 for impairment of trade receivables. Accordingly, a loss allowance is recognised at an amount equal to lifetime Expected Credit Losses (“ECLs”) at each reporting date. Lifetime ECLs represent the expected credit losses resulting from all possible default events over the expected life of trade receivables. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Expected credit losses are measured using a provision matrix, based on historical credit loss experience and adjusted for current conditions and reasonable and supportable forward-looking information. Trade receivables are grouped based on shared credit risk characteristics for the purpose of estimating ECLs. Security deposits received from customers are considered, where relevant, in estimating expected credit losses.

Impairment loss allowance recognised or reversed during the period is recognised in the Statement of Profit and Loss. Trade receivables are written off when there is no reasonable expectation of recovery. Trade receivables are presented at their gross carrying amount less the loss allowance.

Creamline Dairy Products Limited

Notes to the financial statements

v) Measurement of ECL

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

w) 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 the statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

x) 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.

Creamline Dairy Products Limited

Notes to the financial statements

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 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 recognised 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.

y) Financial instruments

- **Recognition and initial measurement**

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument except for trade receivables which are initially recognised when they are originated. All financial assets and liabilities are recognised 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.

Creamline Dairy Products Limited

Notes to the financial statements

- **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.

- **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.

Creamline Dairy Products Limited

Notes to the financial statements

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 derecognises 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 derecognised.

- **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In these cases, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised 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 lifetime 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.

Creamline Dairy Products Limited

Notes to the financial statements

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 realise the asset and settle the liability simultaneously.

z) 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 date, the Company did not have any dilutive potential equity shares.

aa) 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 recognises 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 recognised 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.

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Notes to the financial statements

ab) Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025.

The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

- Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact on these amendments in its classification criteria of current and non-current liabilities.
- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires entities to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its financial statements.

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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	Freehold Land	Buildings	Plant and Machinery	Electrical Installations	Furniture and Fixtures	Vehicles	Office equipment	Crates, Cans and Milk-o-Testers	Wind and Solar Equipment	Computers	Total
Gross Block											
As at 1 April 2025	3,029.60	10,880.39	31,195.21	1,968.04	386.14	651.33	400.58	307.10	2,867.03	523.42	52,208.84
Additions	65.81	449.60	3,430.53	168.76	25.89	132.90	102.36	41.65	-	59.30	4,476.80
Disposals	(1.52)	(57.73)	(1,826.14)	(64.59)	(2.29)	(229.15)	(26.32)	(47.26)	-	(89.90)	(2,344.90)
Reclassification to assets held for sale (refer note (i) below)	(85.77)	(791.84)	-	-	-	-	-	-	-	-	(877.61)
As at 31 March 2026	3,008.12	10,480.42	32,799.60	2,072.21	409.74	555.08	476.62	301.49	2,867.03	492.82	53,463.13
Accumulated Depreciation											
As at 1 April 2025	-	3,414.12	19,145.28	1,135.70	208.53	418.36	271.38	240.79	1,561.75	320.28	26,716.19
For the year	-	379.41	2,687.15	158.41	28.69	58.94	42.46	21.32	117.25	108.62	3,602.25
Disposals	-	(49.22)	(1,539.23)	(59.03)	(2.14)	(192.64)	(24.33)	(45.01)	-	(84.52)	(1,996.12)
Reclassification to assets held for sale (refer note (i) below)	-	(334.80)	-	-	-	-	-	-	-	-	(334.80)
As at 31 March 2026	-	3,409.51	20,293.20	1,235.08	235.08	284.66	289.51	217.10	1,679.00	344.38	27,987.52
Net Block as at 31 March 2026	3,008.12	7,070.91	12,506.40	837.13	174.66	270.42	187.11	84.39	1,188.03	148.44	25,475.61
Gross Block											
As at 1 April 2024	3,111.03	10,666.87	28,509.62	1,865.13	344.78	732.55	345.65	269.23	2,867.03	699.08	49,410.97
Additions	-	343.47	3,408.45	120.39	42.61	50.12	60.17	49.65	-	126.68	4,201.54
Disposals	-	(0.27)	(722.86)	(17.48)	(1.25)	(131.34)	(5.24)	(11.78)	-	(302.34)	(1,192.56)
Reclassification to assets held for sale (refer note (i) below)	(81.43)	(129.68)	-	-	-	-	-	-	-	-	(211.11)
As at 31 March 2025	3,029.60	10,880.39	31,195.21	1,968.04	386.14	651.33	400.58	307.10	2,867.03	523.42	52,208.84
Accumulated Depreciation											
As at 1 April 2024	-	3,099.16	17,069.44	1,000.69	184.00	400.17	247.77	240.68	1,444.17	496.58	24,182.66
For the year	-	370.94	2,665.62	150.18	25.58	67.33	28.34	11.74	117.58	107.70	3,545.01
Disposals	-	(0.25)	(589.78)	(15.17)	(1.05)	(49.14)	(4.73)	(11.63)	-	(284.00)	(955.75)
Reclassification to assets held for sale (refer note (i) below)	-	(55.73)	-	-	-	-	-	-	-	-	(55.73)
As at 31 March 2025	-	3,414.12	19,145.28	1,135.70	208.53	418.36	271.38	240.79	1,561.75	320.28	26,716.19
Net Block as at 31 March 2025	3,029.60	7,466.27	12,049.93	832.34	177.61	232.97	129.20	66.31	1,305.28	203.14	25,492.65

Title deeds of the immovable properties not held in the name of the Company

The title deeds of all the immovable properties are held in the name of the Company except as disclosed below

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter, director or employee of promoter, director	Property held since which date	Reasons for not being held in the name of Company
Property, plant and Equipment	Freehold Land	6.57	K. Bhasker Reddy	Yes (till 2 June 2025)	30-06-2006	In the process of being transferred in the name of the Company.

Notes:

- (i) The Company has initiated the process to monetize certain assets and are expected to be completed in financial year 2026-27. Accordingly, the same has been classified as "Assets held for sale" as at 31 March 2026. Out of the planned assets held for sale as at 31 March 2025, one land parcel remains pending, and the Company expects to complete the transaction in the financial year 2026-27.
- (ii) Negative lien created on Plant and Machinery purchased by utilizing respective term loans . Refer note 19
- (iii) Refer to note 36(a)(i) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

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	As at 31 March 2026	As at 31 March 2025
Opening balance	387.90	318.61
Additions during the year	4,199.56	4,270.83
Capitalised during the year	(4,489.57)	(4,201.54)
Closing balance	97.89	387.90

i)Ageing for Capital work-in-progress as at 31 March 2026 is as follows :

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	97.89	-	-	-	97.89
Projects temporarily suspended	-	-	-	-	-

Ageing for Capital work-in-progress as at 31 March 2025 is as follows :

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Project in progress	387.90	-	-	-	387.90
Projects temporarily suspended	-	-	-	-	-

ii) Project execution plans are based on capacity requirement assessment and all the projects are executed as per the rolling annual plan.

Note 5**Other Intangible assets**

Particulars	Computer Software	Total
Gross Block		
As at 1 April 2025	454.71	454.71
Additions	12.77	12.77
Disposals	(418.90)	(418.90)
As at 31 March 2026	48.58	48.58
Accumulated amortisation		
As at 1 April 2025	410.47	410.47
For the year	7.96	7.96
Disposals	(398.13)	(398.13)
As at 31 March 2026	20.30	20.30
Net Block at 31 March 2026	28.28	28.28

Particulars	Computer Software	Total
Gross Block		
As at 1 April 2024	683.86	683.86
Additions	-	-
Disposals	(229.15)	(229.15)
As at 31 March 2025	454.71	454.71
Accumulated amortisation		
As at 1 April 2024	610.13	610.13
For the year	11.21	11.21
Disposals	(210.87)	(210.87)
As at 31 March 2025	410.47	410.47
Net Block at 31 March 2025	44.24	44.24

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 6**Other non-current financial assets**

Security deposits (unsecured)

- Considered good
- Considered doubtful
- Less: Allowance for doubtful assets

Fixed deposits with maturity of more than 12 months

Total

As at 31 March 2026	As at 31 March 2025
444.06	439.75
9.21	9.21
(9.21)	(9.21)
444.06	439.75
-	72.59
444.06	512.34

Note 7**Deferred tax assets**

Deferred tax assets (net) (refer note 43)

Total

As at 31 March 2026	As at 31 March 2025
742.52	771.21
742.52	771.21

Note 8**Other non-current assets**

Capital advances (unsecured)

- Considered good
- Considered doubtful
- Less: Allowance for doubtful advances

Prepaid expenses

Balances with Government authorities

Total

As at 31 March 2026	As at 31 March 2025
63.30	76.41
10.01	10.01
(10.01)	(10.01)
63.30	76.41
80.27	102.63
86.17	250.59
229.74	429.63

Note 9**Inventories**

(Valued at lower of cost and net realisable value)

Raw materials*

Packing materials

Finished goods**

Work-in-progress

Stock-in-trade

Consumables, stores and spares

Total

As at 31 March 2026	As at 31 March 2025
2,929.73	3,467.75
1,006.33	1,012.59
3,066.48	2,680.58
779.30	706.48
95.99	89.59
1,353.05	1,200.73
9,230.88	9,157.72

*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 INR 159.65 Lakhs (31 March 2025: INR -132.46 Lakhs). The write-downs/ losses are included in cost of materials consumed.

Note 10**Trade receivables****Secured**

Considered good

Unsecured

Considered good

Credit impaired

Significant increase in credit risk

Total Trade Receivables

Less: Loss allowance

Net Trade Receivables

As at 31 March 2026	As at 31 March 2025
963.38	843.51
2,319.82	1,799.06
240.63	284.88
-	-
3,523.83	2,927.45
(355.81)	(364.85)
3,168.02	2,562.60

(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 41.2.

(iv) Trade receivables includes receivables from related parties INR 1.74 lakhs (31 March 2025: INR 2.27 lakhs). Refer note 44.

(v) There are no unbilled dues as at 31 March 2026 and 31 March 2025.

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
As at 31 March 2026							
(i) Undisputed Trade receivables – considered good	1,815.81	1,445.46	21.93	-	-	-	3,283.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	51.91	45.32	4.68	31.10	133.01
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	107.62	107.62
Total	1,815.81	1,445.46	73.84	45.32	4.68	138.72	3,523.83
As at 31 March 2025							
(i) Undisputed Trade receivables – considered good	1,623.87	960.83	44.53	1.01	-	12.33	2,642.57
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	52.84	64.37	48.27	10.81	176.29
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	3.05	60.44	45.10	108.59
Total	1,623.87	960.83	97.37	68.43	108.71	68.24	2,927.45

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 11**Cash and cash equivalents**

- Balances with Banks - in current accounts

Cash and cash equivalents

Cash on hand

Total

As at	As at
31 March 2026	31 March 2025
80.06	732.37
61.26	187.50
141.32	919.87

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

Total

As at	As at
31 March 2026	31 March 2025
82.29	3.50
4.75	4.65
87.04	8.15

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

Note 13**Loans****Unsecured, considered good**

Loan to related parties (refer note 44)

Total

As at	As at
31 March 2026	31 March 2025
-	1,000.23
-	1,000.23

There are no loans to promoters, directors or KMPs (as defined under Companies Act, 2013) either severally or jointly with any other person, that are without specifying any terms or period of repayment.

Note 14**Current Investments**

Quoted

Investments carried at fair value through profit or loss

Investments in Mutual Funds

Total

As at	As at
31 March 2026	31 March 2025
1,000.32	-
1,000.32	-

Aggregate amount of quoted investments

Market value of quoted investments - Current

1,000.32	-
1,000.32	-

Note 15**Other current financial assets**

Security deposits - unsecured

- Considered good

- Considered doubtful

- Less: Allowance for doubtful assets

Advances to employees

Total

As at	As at
31 March 2026	31 March 2025
83.58	81.37
4.35	4.35
(4.35)	(4.35)
83.58	81.37
4.31	16.19
87.89	97.56

Note 16**Other current assets**

(Unsecured)

Considered good:

Advances to suppliers

Advances to milk suppliers

Prepaid expenses

GST receivables

Others

Considered doubtful:

Advances to milk suppliers

Less: Allowance for doubtful advances

Total

As at	As at
31 March 2026	31 March 2025
868.48	186.07
19.25	16.24
661.38	496.13
174.96	107.89
29.12	8.21
1,753.19	814.54
3.74	3.74
(3.74)	(3.74)
-	-
1,753.19	814.54

Advances to suppliers includes advances to related parties INR 175.71 lakhs (31 March 2025: Nil). Refer note 44.

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 17**Equity share capital****Authorised:**

17,150,000 (31 March 2025: 17,150,000) equity shares of INR 10/- each

Issued, Subscribed and Paid-up:

11,324,700 (31 March 2025 : 11,324,700) equity shares of INR 10/- each fully paid up

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

At the commencement of the year

Issued during the year

At the end of the year**Terms and rights attached to equity shares:**

Equity shares of the Company have a par value of INR 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)

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

Godrej Agrovet Limited

K. Bhasker Reddy

D. Chandra Shekher Reddy

C. Mangaraj

M. Rama Kumari

Disclosure of shareholding of promoters as at 31 March 2026 is as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
Godrej Agrovet Limited	1,12,99,699	99.78%	37.25%
K. Bhasker Reddy	-	0.00%	(4.14%)
D. Chandra Shekher Reddy	-	0.00%	(3.84%)
C. Mangaraj	-	0.00%	(6.08%)
M. Rama Kumari	-	0.00%	(7.24%)

Disclosure of shareholding of promoters as at 31 March 2025 is as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
Godrej Agrovet Limited	70,81,508	62.53%	10.62%
K. Bhasker Reddy	4,68,500	4.14%	(3.53%)
D. Chandra Shekher Reddy	4,35,292	3.84%	(3.53%)
C. Mangaraj	6,89,100	6.08%	(3.53%)
M. Rama Kumari	8,19,716	7.24%	-
Shrinath Shetkhar	20,000	0.18%	-

Note 18**Other equity****Retained earnings**

Opening balance

Add: Net Profit for the year

Less: Total comprehensive income/(loss) for the year

Less: Interim Dividend

Closing balance**General reserve:**

Opening balance

Closing balance**Securities premium**

Opening balance

Closing balance**Debenture Redemption Reserve**

Opening balance

Add : Reserve created during the year

Closing balance**Capital reserve**

Opening balance

Add : Reserve created during the year

Closing balance**Total**

As at 31 March 2026	As at 31 March 2025
1,715.00	1,715.00
1,715.00	1,715.00
1,132.47	1,132.47
1,132.47	1,132.47
As at 31 March 2026	
No. of shares	Amount
1,13,24,700	1,132.47
-	-
1,13,24,700	1,132.47
equity share is entitled to one vote per share and is entitled to receive remaining assets of the company in the liquidation.	
As at 31 March 2026	As at 31 March 2025
1,12,99,699	70,81,508
Shareholders in the Company	
As at 31 March 2026	
No. of shares	%
1,12,99,699	99.78%
-	0.00%
-	0.00%
-	0.00%
-	0.00%
1,12,99,699	99.78%
No. of shares	% of total shares
1,12,99,699	99.78%
-	0.00%
-	0.00%
-	0.00%
-	0.00%
No. of shares	% of total shares
70,81,508	62.53%
4,68,500	4.14%
4,35,292	3.84%
6,89,100	6.08%
8,19,716	7.24%
20,000	0.18%
As at 31 March 2026	As at 31 March 2025
4,072.05	2,611.06
872.85	1,493.68
5.82	(32.69)
(651.17)	-
4,299.55	4,072.05
1,443.72	1,443.72
1,443.72	1,443.72
5,720.20	5,720.20
5,720.20	5,720.20
990.00	990.00
-	-
990.00	990.00
(186.98)	(186.98)
-	-
(186.98)	(186.98)
12,266.49	12,038.99

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 borrowings****From banks**

Secured Term loans

Unsecured Term Loans

Others, unsecured

Non-Convertible Debentures

Total

Non-current	
As at	As at
31 March 2026	31 March 2025
-	495.85
3,566.63	3,350.00
-	9,900.00
3,566.63	13,745.85

Term loans are secured and other terms are given below:**(a) Term loans**

The Company has availed the following term loans from banks. The key repayment terms, interest rates and security arrangements are set out below:

Federal Bank (Secured)

The loan is repayable in 16 equal quarterly instalments commencing from 29 June 2023. The interest rate applicable during the year ranged from 6.70% to 7.52% per annum. The loan is secured by a negative lien on the plant and machinery purchased out of the proceeds of the term loan.

HSBC Bank (Unsecured)

The loan is repayable in 12 equal quarterly instalments commencing from 30 June 2026. The current interest rate applicable to the loan is 6.50% per annum.

ICICI Bank (Unsecured)

The loan was repayable in 12 equal quarterly instalments commencing from 26 June 2024. The interest rate during the year ranged from 8.25% to 8.50% per annum. The term loan has been fully repaid during the year.

South Indian Bank (Unsecured)

The loan is repayable in 16 equal quarterly instalments commencing from 10 June 2025. The interest rate applicable during the year ranged from 6.79% to 7.54% per annum.

(b) Non-Convertible Debentures (NCDs)

The Company has outstanding unsecured, rated, listed, redeemable, Non-Convertible Debentures (NCDs) issued on a private placement basis. The details are as follows:

First Tranche:

The Company issued, on 21 August 2023, 4,900 NCDs of face value ₹1,00,000 each, aggregating to ₹4,900 Lakhs, carrying an interest rate of 8.65% per annum. The NCDs are redeemable in a single instalment at the end of 36 months from the date of issue, i.e., on 21 August 2026.

Second Tranche

The Company issued, on 23 October 2023, 5,000 NCDs of face value ₹1,00,000 each, aggregating to ₹5,000 Lakhs, carrying an interest rate of 8.65% per annum. The NCDs are redeemable in a single instalment at the end of 36 months from the date of issue, i.e., on 23 October 2026.

Note 20**Non-current provisions****Provision for employee benefits:**

- Provision for compensated absences

- Provision for gratuity (refer note 39)

Total

As at	As at
31 March 2026	31 March 2025
144.09	93.30
573.79	325.74
717.88	419.04

Note 21**Other non-current liabilities**

Deferred grant (Refer Note below)

Total

128.18	115.04
128.18	115.04

Note: 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 22**Current borrowings****Secured**

Current portion of secured bank term loan

Unsecured

Current portion of unsecured bank term loan

NCDs

Accrued interest on NCDs

Short term loan*

Total

As at	As at
31 March 2026	31 March 2025
495.74	500.00
1,783.78	1,451.45
9,900.00	-
454.22	454.23
33.47	-
12,667.21	2,405.68

Terms of short term Loan/ Working capital loans:

*Interest on unsecured working capital demand loan availed by the Company during the year was ranging from 6.00% to 8.50%.

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 23**Trade payables**

Trade Payables

dues to micro and small enterprises (refer note 46)

dues to other than micro and small enterprises

Total

	As at 31 March 2026	As at 31 March 2025
dues to micro and small enterprises (refer note 46)	999.25	884.97
dues to other than micro and small enterprises	6,708.75	6,900.99
Total	7,708.00	7,785.96

Trade payables includes payables to related parties INR 7.26 lakhs (31 March 2025 INR 461.27 lakhs). Refer note 44.

Note No. 23.1: 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 amounts overdue as on March 31, 2026 and March 31, 2025 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	< 1 year	1-2 years	2-3 years	> 3 years	
As at 31 March 2026						
(i) MSME	942.88	-	-	-	-	942.88
(ii) Others	6,130.77	361.09	70.79	72.91	48.84	6,684.40
(iii) Disputed dues - MSME	-	45.65	7.44	2.71	0.57	56.37
(iv) Disputed dues - Others	-	-	6.43	-	17.92	24.35
Total	7,073.65	406.74	84.66	75.62	67.33	7,708.00
Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	< 1 year	1-2 years	2-3 years	> 3 years	
As at 31 March 2025						
(i) MSME	746.85	-	-	-	-	746.85
(ii) Others	6,180.52	456.02	74.78	65.42	26.11	6,802.85
(iii) Disputed dues - MSME	-	128.30	2.37	5.53	1.92	138.12
(iv) Disputed dues - Others	-	10.19	54.59	8.21	25.15	98.14
Total	6,927.37	594.51	131.74	79.16	53.18	7,785.96

Note 24**Other financial liabilities****Non- Current**

Employee related payables

	As at 31 March 2026	As at 31 March 2025
Employee related payables	-	100.00
	-	100.00

Current

Security deposits

Capital creditors

Employee related payables

Unclaimed dividend

Others

Total

	As at 31 March 2026	As at 31 March 2025
Security deposits	3,730.28	3,337.76
Capital creditors	362.35	390.57
Employee related payables	512.64	595.74
Unclaimed dividend	4.75	4.65
Others	3.36	-
Total	4,613.38	4,328.72

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 31 March 2026 and 31 March 2025.

Note 25**Other current liabilities**

Contract Liabilities (Advances from customers)

Advance against assets held for sale (Refer Note 3)

Statutory liabilities

Deferred income

Total

	As at 31 March 2026	As at 31 March 2025
Contract Liabilities (Advances from customers)	206.86	291.55
Advance against assets held for sale (Refer Note 3)	-	92.00
Statutory liabilities	299.31	311.94
Deferred income	46.24	9.34
Total	552.41	704.83

Note 26**Provisions****Current****Provision for employee benefits:**

- Provision for compensated absences (refer note 39)

- Provision for gratuity (refer note 39)

Total

	As at 31 March 2026	As at 31 March 2025
Provision for compensated absences (refer note 39)	98.09	71.33
Provision for gratuity (refer note 39)	262.22	192.23
Total	360.31	263.56

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 27**Revenue from operations**

Sale of products

Other operating revenue:

Sale of power

Processing charges

Scrap sales

Sale of stock-in-trade (animal feed)

Total**27A Reconciliation of revenue recognised with the contracted price is as follows:**

Contract price

Adjustments for sales:

Reduction towards variable consideration components

Total**27B Sales by Geography**

Sales in India

Sales outside India

Total**27C Contract Balances**

Receivables, which are included in 'trade receivables' (refer note 10)

Contract Liabilities (Advances from customers) (refer note 25)

The Company receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivables are recognised when the right to consideration becomes unconditional. Contract liabilities relate to payments received in advance for performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company satisfies the corresponding performance obligations.

The Company has no single customer from whom the revenue is more than 10% of the revenue from operations for the year ended 31 March 2026 and 31 March 2025

Note 28**Other income**

Interest income under the effective interest method

Amortisation of government grants (refer note 21)

Profit on sale of property, plant and equipment (net)

Net gain on sale of investments

Liabilities/Provisions no longer required written back

Miscellaneous income

Total**Note 29****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

Total

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

Note 30**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

Total

	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	1,54,450.67	1,55,638.66
Other operating revenue:		
Sale of power	155.44	201.53
Processing charges	333.98	103.30
Scrap sales	140.97	128.60
Sale of stock-in-trade (animal feed)	3,821.11	2,451.16
Total	1,58,902.17	1,58,523.25
27A Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	1,61,080.29	1,62,145.49
Adjustments for sales:		
Reduction towards variable consideration components	(6,629.62)	(6,506.83)
Total	1,54,450.67	1,55,638.66
27B Sales by Geography		
Sales in India	1,54,450.67	1,55,520.93
Sales outside India	-	117.73
Total	1,54,450.67	1,55,638.66
27C Contract Balances		
Receivables, which are included in 'trade receivables' (refer note 10)	3,523.83	2,927.45
Contract Liabilities (Advances from customers) (refer note 25)	206.86	291.55
The Company receives payment from customers based on a billing schedule, as established in the contracts with customers. Trade receivables are recognised when the right to consideration becomes unconditional. Contract liabilities relate to payments received in advance for performance under the contract. Contract liabilities are recognised as revenue as (or when) the Company satisfies the corresponding performance obligations.		
Note 28		
Other income		
Interest income under the effective interest method	35.92	40.41
Amortisation of government grants (refer note 21)	24.92	9.34
Profit on sale of property, plant and equipment (net)	1,284.09	-
Net gain on sale of investments	15.17	20.04
Liabilities/Provisions no longer required written back	249.10	357.73
Miscellaneous income	133.72	50.12
Total	1,742.92	477.64
Note 29		
Cost of materials consumed		
Raw materials:		
Material at the commencement of the year	3,467.75	5,088.01
Add : Purchases*	1,09,168.01	1,00,106.90
Less: Raw material at the end of the year	2,929.73	3,467.75
	1,09,706.03	1,01,727.16
Packing materials:		
Material at the commencement of the year	1,012.59	1,059.31
Add : Purchases	6,583.15	6,469.28
Less: Packing material at the end of the year	1,006.33	1,012.59
	6,589.41	6,516.00
Total	1,16,295.44	1,08,243.16
* Represents the balancing figure and includes certain production/ procurement overheads.		
Note 30		
Changes in inventories of finished goods, stock-in-trade and work-in-progress		
At the commencement of the year		
Stock-in-trade	89.59	197.35
Work-in-progress	706.48	711.65
Finished goods	2,680.58	8,044.61
	3,476.65	8,953.61
At the end of the year		
Stock-in-trade	95.99	89.59
Work-in-progress	779.30	706.48
Finished goods	3,066.48	2,680.58
	3,941.77	3,476.65
Total	(465.12)	5,476.96

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 31**Employee benefits expense**

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

Total**Note 32****Finance costs**

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

Total**Note 33****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)

Total**Note 34****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 41.2)
Sundry balances written off
Less : Utilised from loss allowance (refer note 41.2)
Allowances for doubtful debts and advances
Loss on sale/scrapping of property, plant and equipment, net
Selling, distribution and advertisement expenses
Freight expenses
Miscellaneous expenses

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

Statutory audit fee
Limited review
Certification Fees
Reimbursement of expenses

Total

For the year ended March 31, 2026	For the year ended March 31, 2025
9,116.64	9,276.25
518.59	535.25
177.38	138.41
578.28	520.94
10,390.89	10,470.85

For the year ended March 31, 2026	For the year ended March 31, 2025
1,267.78	1,478.60
12.73	12.11
1,280.51	1,490.71

For the year ended March 31, 2026	For the year ended March 31, 2025
3,602.25	3,545.01
7.96	11.21
71.82	85.15
3,682.03	3,641.37

For the year ended March 31, 2026	For the year ended March 31, 2025
757.46	663.92
3,355.80	3,463.34
104.93	163.28
173.27	180.23
957.46	1,003.56
14.10	10.34
387.59	301.13
4,633.64	4,398.69
712.91	772.07
404.93	889.18
75.94	96.28
56.88	49.31
38.96	38.90
41.68	28.11
(41.68)	(28.11)
-	3.66
-	(3.66)
32.64	72.71
-	91.55
5,185.62	4,730.74
5,685.06	5,776.06
1,875.62	1,987.06
24,452.81	24,688.35

24.91	24.91
9.16	9.16
1.60	1.60
3.29	3.23
38.96	38.90

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 35: Earnings per share**Computation of earnings per share**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Calculation of weighted average number of equity shares:		
Basic and diluted:		
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 (A)	1,13,24,700	1,13,24,700
Profit attributable to equity shareholders (B)	872.85	1,493.68
Earnings per equity share (face value of share INR 10 each) (B/A) :		
- Basic & diluted earnings per share	7.71	13.19

The Company did not have any potential dilutive equity shares as at 31 March 2026 and 31 March 2025

Note 36: Contingent liabilities and commitments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	184.03	447.01
(ii) Export obligation under export promotion capital goods (EPCG)	48.87	48.87
The total customs duty saved against EPCG licences was INR 8.14 lakhs.		
(iii) Guarantees issued by the Banks	47.76	28.01
b. Contingent Liabilities- Claims against the Company not acknowledged as debt in respect of (to the extent not provided for)		
(i) Income tax*	63.14	885.63
(ii) Indirect tax cases*	81.69	86.77
(iii) Other matters	7.43	7.43

* Tax paid under protest as at 31 March 2026: INR 73.03 lakhs (31 March 2025: INR 238.03 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.

Note 37: 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 it is not a reportable segment.

Revenue disaggregation, geography wise, has been disclosed under Note 27 to the financial statements. Further 100% of the Company's non-current and current assets as at 31 March 2026 are located in India.

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-of-use assets and lease liabilities

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

Particulars	Buildings
Cost	
As at 1 April 2025	790.25
Additions	80.71
Disposals	-
Balance at 31 March 2026	870.96
As at 1 April 2024	747.71
Additions	66.20
Disposals	(23.66)
Balance at 31 March 2025	790.25
Accumulated amortisation	
As at 1 April 2025	671.35
Amortisation	71.82
Eliminated on disposals of assets	-
Balance at 31 March 2026	743.17
As at 1 April 2024	596.97
Amortisation	85.15
Eliminated on disposals of assets	(10.77)
Balance at 31 March 2025	671.35
Carrying amounts	
Balance at 31 March 2026	127.79
Balance at 31 March 2025	118.90

The following is the rental expense recorded for short-term leases and low value leases for the year ended 31 March 2026

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Short-term lease expense	104.93	163.28
Total lease expense	104.93	163.28

Following are the changes in the lease liabilities for the year ended 31 March 2026 and 31 March 2025:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening Balance	158.32	183.43
Additions during the year	80.71	66.20
Interest on lease liabilities	12.73	12.11
Deletions during the year	-	(12.89)
Lease payments	(83.61)	(90.53)
Closing Balance	168.15	158.32

Non - Current	112.05	94.18
Current	56.10	64.14

The following is the cash outflow on leases

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Payment of lease liabilities	70.88	78.42
Interest on lease liabilities	12.73	12.11
Short-term lease expense	104.93	163.28
Total cash outflow on leases	188.54	253.81

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2026 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
As at 31 March 2026					
Lease liabilities	65.98	41.17	80.02	5.59	7%
As at 31 March 2025					
Lease liabilities	73.06	45.20	47.95	13.54	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 39: Employee benefits**Short Term Employee Benefits**

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

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 INR 467.77 lakhs (31 March 2025: INR 474.58 lakhs).

Defined benefit plan

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Remeasurements of the net defined benefit liability, comprising actuarial gains and losses, the effect of changes in the asset ceiling, if any, and the return on plan assets (excluding interest income), are recognised immediately in Other Comprehensive Income and are not reclassified to profit or loss in subsequent periods. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represent the present value of the defined benefit obligations reduced by the fair value of plan assets. Any asset arising from this measurement is limited to the present value of available refunds and reductions in future contributions to the plan.

The Company provides gratuity benefits to its employees, which are classified as a defined benefit plan. During the year ended 31 March 2026, the Central Government of India has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the 'New Labour Codes'), effective from 21 November 2025 primarily impacting the wage definition to be considered for the purpose of defined benefit obligation relating to gratuity.

As a result of this plan amendment, the Company's defined benefit obligation increased by INR 276.19 lakhs (31 March 2025: Nil). A corresponding past service cost was recognised in profit or loss during the current year.

Funding

The Company has established a funded gratuity plan for its eligible employees, which is a defined benefit plan in accordance with Ind AS 19 Employee Benefits. The gratuity obligation of the Company is funded through a gratuity insurance policy obtained from a life insurance company. The insurance company carries out an annual funding valuation of the gratuity assets based on the latest employee data provided by the Company. The plan assets are held in the form of an insurance policy and are managed by the insurer.

Based on the valuation results, any shortfall between the fair value of plan assets and the present value of the defined benefit obligation, if any, is funded by the Company to ensure that the gratuity plan remains adequately funded.

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 2026	As at 31 March 2025
Defined benefit obligation	1,184.77	891.97
Fair value of plan assets	(348.76)	(374.00)
Net defined benefit obligation	836.01	517.97

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)

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	As at	As at	As at
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Opening balance	891.97	829.97	374.00	412.41
Included in profit or loss				
Current service cost	126.35	108.58	-	-
Past service cost	276.19	-	-	-
Interest cost/ Interest income on plan assets	62.90	59.30	22.86	29.47
Benefits paid	(164.78)	(146.69)	(164.78)	(146.69)
Contributions paid by the employer	-	-	116.76	83.15
Included in OCI				
Actuarial loss (gain) arising from:				
Demographic assumptions	-	1.65	-	-
Financial assumptions	(20.83)	22.05	-	-
Experience adjustment	12.97	15.64	-	-
Acquisition adjustment	-	1.47	-	-
Return on plan assets excluding interest	-	-	(0.08)	(4.34)
Closing balance	1,184.77	891.97	348.76	374.00

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

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Current service cost	126.35	108.58
Past service cost	276.19	-
Net interest cost	40.04	29.83
	442.58	138.41

Re-measurements recognised in other comprehensive income :

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Actuarial loss/(gain) arising from Defined Benefit Obligation	7.86	(39.34)
Return on plan assets excluding interest income	(0.08)	(4.34)
	7.78	(43.68)

Plan assets:

Plan assets comprise of the following:

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Group Gratuity cum Life Assurance with Life Insurance Corporation	348.76	374.00

Summary of actuarial assumptions:

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

	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
Discount rate	6.85%	6.50%
Future salary growth	5.00%	5.00%
Rate of employee turnover	20.00%	20.00%
Average past service (years)	6.03	6.02
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.

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)

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, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(46.23)	49.90	(35.38)	38.23
Future salary growth (1% movement)	49.23	(46.56)	38.41	(36.20)
Rate of employee turnover (50% of attrition rate)	5.18	(31.02)	(1.94)	(12.72)
Future Mortality (10% movement)	0.68	(0.69)	0.09	(0.09)

The sensitivity analysis above has 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 INR 100 lakhs (31 March 2026: INR 116.76 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 2026	As at 31 March 2025
1st Following year	235.09	192.23
2nd Following year	196.01	161.80
3rd Following year	173.36	164.79
4th Following year	150.37	131.26
5th Following year	123.87	104.59
Thereafter	748.91	454.86
	1,627.61	1,209.53

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 INR 155.71 lakhs (31 March 2025 INR 47.05 lakhs)

Note. 40 Exceptional items

On 21 November 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered restructured compensation of its employees with effect from 1 April 2026, and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional Items" in the statement of profit and loss for the year ended 31 March 2026. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

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 41: Financial instruments – Fair values and risk management**Note 41.1: 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 2026:	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Trade receivables	-	3,168.02	3,168.02	-	-	-	-
Cash and cash equivalents	-	141.32	141.32	-	-	-	-
Bank balances other than cash and cash equivalents	-	87.04	87.04	-	-	-	-
Current investments	1,000.32	-	1,000.32	1,000.32	-	-	1,000.32
Other financial assets	-	531.95	531.95	-	-	-	-
	1,000.32	3,928.33	4,928.65	1,000.32	-	-	1,000.32
Financial liabilities:							
Borrowings	-	16,233.84	16,233.84	-	-	-	-
Trade payables	-	7,708.00	7,708.00	-	-	-	-
Other financial liabilities and lease liabilities	-	4,781.53	4,781.53	-	-	-	-
	-	28,723.37	28,723.37	-	-	-	-
As at 31 March 2025:							
	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Trade receivables	-	2,562.60	2,562.60	-	-	-	-
Cash and cash equivalents	-	919.87	919.87	-	-	-	-
Bank balances other than cash and cash equivalents	-	8.15	8.15	-	-	-	-
Loans	-	1,000.23	1,000.23	-	-	-	-
Other financial assets	-	609.90	609.90	-	-	-	-
	-	5,100.75	5,100.75	-	-	-	-
Financial liabilities:							
Borrowings	-	16,151.53	16,151.53	-	-	-	-
Trade payables	-	7,785.96	7,785.96	-	-	-	-
Other financial liabilities and lease liabilities	-	4,587.04	4,587.04	-	-	-	-
	-	28,524.53	28,524.53	-	-	-	-

Note

The Company has not disclosed the fair values of financial instruments such as trade receivables, cash and cash equivalents, loans, 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 41.2: 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 establishing and overseeing the Company's risk management framework.

The Company has established risk management policies to identify and analyse the risks to which it is exposed, to set appropriate risk limits and controls, and to monitor risks and compliance with such limits. These policies and related systems are reviewed on a regular basis to reflect changes in market conditions and the nature of the Company's operations. Through established training programmes, management standards and procedures, the Company seeks to maintain a disciplined and effective control environment in which employees understand their roles and responsibilities.

The Audit Committee is responsible for overseeing management's processes for identifying, assessing and managing risks, and for reviewing the adequacy and effectiveness of the Company's risk management framework. The Audit Committee is supported in its oversight role by the internal audit function. Internal audit performs both periodic and ad hoc reviews of the design and operating effectiveness of risk management controls and procedures, and reports its findings 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 41: Financial instruments – Fair values and risk management (Continued)**Note 41.2: 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 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, E-Commerce 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 10 represent the maximum credit risk exposure.

Impairment

Expected credit loss assessment for customers : The Company assesses impairment of trade receivables based on the expected credit loss (ECL) model in accordance with Ind AS 109 Financial Instruments.

A portion of the Company's customers comprises public sector undertakings (PSUs). Based on historical experience, there has been no material credit loss arising from customers' inability to pay, and historical credit loss experience for such customers has been minimal. However, the Company recognises expected credit losses in respect of expected delays in the realisation of trade receivables beyond contractual credit periods.

The Company has applied the simplified approach prescribed under Ind AS 109 and measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The ECL is determined using a provision matrix that is based on the ageing of trade receivables and incorporates historical credit loss experience, adjusted as appropriate for current and forward-looking information.

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

Year	0 to 30 days	31 to 90 days	91 to 180 days	Above 180 days	Gross receivables	Loss Allowance	Net trade receivables
As at 31 March 2026 :							
Gross carrying amount	2,727.22	480.07	53.98	262.56	3,523.83	(355.81)	3,168.02
Weighted average loss rate	1%	13%	55%	92%	10%		
Loss allowance	24.85	60.27	29.44	241.25	355.81		
As at 31 March 2025 :							
Gross carrying amount	2,195.99	314.42	74.29	342.75	2,927.45	(364.85)	2,562.60
Weighted average loss rate	1%	9%	33%	87%	12%		
Loss allowance	14.63	27.49	24.33	298.40	364.85		

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

	As at 31 March 2026	As at 31 March 2025
Opening balance	364.85	320.25
Loss allowance (reversed) /recognised	32.64	72.71
Amounts utilized for write-off of debts	(41.68)	(28.11)
Closing balance	355.81	364.85

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 2026	As at 31 March 2025
Opening balance	27.31	30.97
Loss allowance recognised/ (reversed)	-	(3.66)
Amounts written off	-	-
Closing balance	27.31	27.31

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 41: Financial instruments – Fair values and risk management (Continued)
Note 41.2: 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 (including interest) and undiscounted and exclude the impact of netting agreements.

As at 31 March 2026:	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Non Current Borrowings (including current maturities)	16,200.37	7,066.35	6,308.45	1,971.78	1,852.97	-
Current borrowings	33.47	33.47	-	-	-	-
Trade payables	7,708.00	7,708.00	-	-	-	-
Other financial liabilities	4,613.38	4,613.38	-	-	-	-
Lease liabilities	168.15	35.75	30.23	41.17	80.02	5.59
	28,723.37	19,456.95	6,338.68	2,012.95	1,932.99	5.59
As at 31 March 2025:	Carrying values	Contractual cash flows				
		0-6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities:						
Non Current Borrowings (including current maturities)	16,151.53	2,082.62	1,584.78	12,502.02	2,058.20	-
Current borrowings	-	-	-	-	-	-
Trade payables	7,785.96	7,785.96	-	-	-	-
Other financial liabilities	4,428.72	4,278.72	50.00	100.00	-	-
Lease liabilities	158.32	38.97	34.09	45.20	47.95	13.54
Total	28,524.53	14,186.27	1,668.87	12,647.22	2,106.15	13.54

C) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company'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 Company 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. Foreign currency revenues and expenses are in the nature of export sales and import of purchases.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows.

	As at 31 March 2026	As at 31 March 2025
	EURO	EURO
Financial Liabilities - Trade payables	12.94	50.17

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at March 31, 2026 would have effected the measurement of financial instruments denominated in a foreign currency and effected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	As at 31 March 2026		As at 31 March 2025	
	Strengthening by 1%	Weakening by 1%	Strengthening by 1%	Weakening by 1%
	EURO		EURO	
Financial Liabilities - Trade payables	(0.13)	0.13	(0.50)	0.50

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 41: Financial instruments – Fair values and risk management (Continued)**Note 41.2: 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 Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	As at 31 March 2026	As at 31 March 2025
Fixed-rate instruments		
Long-term borrowings (including current maturities)	10,354.22	10,354.23
Short-term borrowings	-	-
Variable -rate instruments		
Long-term borrowings (including current maturities)	5,846.15	5,797.30
Short-term borrowings	33.47	-
	16,233.84	16,151.53

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 2026 Profit/ (loss)		31 March 2025 Profit/ (loss)	
	Strengthening	Weakening	Strengthening	Weakening
Variable-rate instruments (Movements - 100 basis points)	(58.80)	58.80	(57.97)	57.97
Cash flow sensitivity (net)	(58.80)	58.80	(57.97)	57.97

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 42 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 is defined as interest-bearing loans and borrowings less cash and cash equivalents. Adjusted Equity comprises all components of equity.

Particulars	As at 31 March 2026	As at 31 March 2025
Interest bearing loans and borrowings	16,233.84	16,151.53
Less: cash and cash equivalents	(141.32)	(919.87)
Adjusted net debt	16,092.52	15,231.66
Total equity	13,398.96	13,171.46
Adjusted net debt to total equity ratio	1.20	1.16

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 : Tax expense

The major component of income tax expense for the years ended 31 March 2026 and 31 March 2025 are:

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax expense		
Current tax:		
- For current year	135.14	-
- Adjustment for tax of previous years (net)	-	-
	135.14	-
Deferred tax liability (asset), net		
In respect of current year		
- Origination and reversal of temporary differences and others	23.62	1,305.59
Adjustment in respect of earlier years		
- Origination and reversal of temporary differences	3.11	(14.12)
	26.73	1,291.47
Deferred tax		
Tax expense for the year	161.87	1,291.47

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, 2026	For the year ended March 31, 2025
Profit before tax and after exceptional items	1,034.72	2,785.15
Company's domestic income tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate and capital gains tax	260.42	700.97
Tax effects of:		
Non-deductible expenses (net)		
Tax impact of income taxed at special rate – Long-term capital gain on sale of land (taxable at 14.30%)	1.05	3.84
Indexation reversal/(benefit) on freehold land	(102.71)	-
Total	-	600.78
Adjustment of tax expense relating to earlier periods	158.76	1,305.59
	3.11	(14.12)
	161.87	1,291.47

B) Deferred tax

Particulars	Balance as at 1 April 2024	Accounted through statement of profit and loss	Tax adjustments for earlier years	Accounted through OCI	Balance as at 31 March 2025	Accounted through statement of profit and loss	Tax adjustments for earlier years	Accounted through OCI	Balance as at 31 March 2026
Deferred tax liabilities:									
Accelerated depreciation for tax purposes	812.10	(145.41)	-	-	666.69	(28.59)	-	-	638.10
Deferred tax assets:									
Indexation reversal/(benefit) on freehold land	(600.78)	600.78	-	-	-	-	-	-	-
Provision for employee benefits	(142.47)	(3.38)	-	(10.99)	(156.84)	(97.98)	-	1.96	(252.86)
Impact on account of IndAS 116	(8.23)	(1.69)	-	-	(9.92)	(0.24)	-	-	(10.16)
Expenditure allowable on payment basis	(6.14)	(12.67)	-	-	(18.81)	(5.08)	-	-	(23.89)
Loss allowance for trade receivables and advances	(89.66)	(10.30)	-	-	(99.96)	2.28	-	-	(97.68)
Utilisation/(Recognition) of deferred tax asset on tax losses and unabsorbed depreciation	(2,016.51)	878.26	(14.12)	-	(1,152.37)	153.23	3.11	-	(996.03)
	(2,051.69)	1,305.59	(14.12)	(10.99)	(771.21)	23.62	3.11	1.96	(742.52)

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. Management expects to absorb the balance deferred tax assets created on unabsorbed depreciation and carry forward losses by March 2028.

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 : 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) (till 2 June 2025) |
| 2 | D. Chandra Shekher Reddy | (Executive Director) (till 2 June 2025) |
| 3 | Bhupendra Suri | (Whole-time Director and CEO) (till 24 November 2025) |
| 4 | Gaurav Pande | (CEO w.e.f. 2 April 2026 and Whole-time Director w.e.f 28 April 2026) |
| 5 | C. Mangaraj | (Executive Director) (till 2 June 2025) |
| 6 | Pulamanthole Pisharath Manoj | (Chief Financial Officer) |
| 7 | Neha Poojary | (Company Secretary) (till 30 September 2025) |
| 8 | Vinayak Gurunath Nawale | (Company Secretary) (w.e.f. 31 December 2025) |
| 9 | Sandhya Kondapalli | (Wife of K. Bhasker Reddy) (till 2 June 2025) |
| 10 | Rama Kumari Mandava | (Executive Director) (till 2 June 2025) |
| 11 | Deepika Devireddy | (Wife of D. Chandra Shekher Reddy) (till 2 June 2025) |
| 12 | D. Ravitej Reddy | (Son of Mr. D. Chandra Shekhar Reddy) (till 2 June 2025) |
| 13 | D. Uthej | (Son of Mr. D. Chandra Shekhar Reddy) (till 2 June 2025) |
| 14 | K. Prateek | (Son of Mr. K. Bhasker Reddy) (till 2 June 2025) |
| 15 | K. Rinny | (Daughter of Mr. K. Bhasker Reddy) (till 2 June 2025) |
| 16 | M. K. Chaitanya | (Son of Mrs. Rama Kumari Mandava) (till 2 June 2025) |
| 17 | M. V. Aditya | (Son of Mrs. Rama Kumari Mandava) (till 2 June 2025) |
| 18 | C. Mounika | (Daughter of Mrs. C. Manga Raj)(till 2 June 2025) |
| 19 | C. Nithin | (Son of Mrs. C. Manga Raj) (till 2 June 2025) |

(iv) Directors

- | | |
|---|--|
| 1 | N.B. Godrej - Chairman (Non-Executive and Non-Independent) |
| 2 | B.S. Yadav - Non-Executive and Non-Independent Director (till 31 August 2025) |
| 3 | S. Varadaraj - Non-Executive and Non-Independent Director |
| 4 | Kannan Sitaram - Independent Director |
| 5 | Jude Fernandes - Independent Director |
| 6 | Sunil Kataria - Non-Executive and Non-Independent Director (w.e.f. 25 July 2025) |
| 7 | Anjali Gupta - Independent Director (w.e.f. 11 September 2025) |

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

- | | |
|----|--|
| 1 | Khammam Milkline Private Limited (till 2 June 2025) |
| 2 | Dhulipalla Milkline Private Limited (till 2 June 2025) |
| 3 | Mohan Milkline Private Limited (till 2 June 2025) |
| 4 | Vidya Milkline Private Limited (till 2 June 2025) |
| 5 | Ongole Milkline Private Limited (till 2 June 2025) |
| 6 | Pamuru Milkline Private Limited (till 2 June 2025) |
| 7 | Kavali Milkline Private Limited (till 2 June 2025) |
| 8 | Pragathi Milkline (till 2 June 2025) |
| 9 | Prima Food tech Private Limited (till 2 June 2025) |
| 10 | Wereco Foods Private Limited (till 2 June 2025) |
| 11 | Orga Farms Private Limited (till 2 June 2025) |
| 12 | Asha Holdings Private Limited (till 2 June 2025) |

(vi) Fellow Subsidiary Companies

- | | |
|---|---|
| 1 | Astec LifeSciences Limited |
| 2 | Godrej Tyson Foods Limited |
| 3 | Godrej Cattle Genetics Private Limited (previously known as Godrej Maxximilk Private Limited) |
| 4 | Godrej & Boyce Manufacturing Company Limited |
| 5 | Godrej Consumer Products Limited |

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)

II. Related party transactions during the year:

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A	Holding Company - Godrej Agrovet Limited		
	Reimbursement of expenses (net)	163.11	107.14
	Purchase of traded goods	3,547.59	2,160.56
	Inter corporate deposit repaid	-	5,000.00
	Interest on inter corporate deposit	-	208.42
	Sale of products	12.38	4.03
	Dividend paid	649.01	-
B	Fellow subsidiaries & other related parties		
	Godrej & Boyce Manufacturing Company Limited		
	Availment of services	2.32	1.86
	Godrej Consumer Products Limited		
	Reimbursement of expenses	-	0.42
	Godrej Cattle Genetics Private Limited		
	Purchase of milk	1,689.45	734.25
	Astec Lifesciences Limited		
	Inter corporate deposit given/(repaid)	(1,000.00)	1,000.00
	Interest income on inter corporate deposit	5.36	4.42
C	Key Management Personnel ('KMP') and relatives		
	Short Term Employee Benefits	262.44	796.09
	Post Employee Benefits	6.21	23.82
	Professional Consultancy Fees:		
	D. Ravitej Reddy	-	19.80
	K. Prateek	-	12.00
	K. Rinny	-	12.00
	M. K. Chaitanya	-	19.80
	M. V. Aditya	-	19.80
	C. Mounika	-	19.80
	C. Nithin	-	19.80
	Deepika Devireddy	-	19.80
	Sandhya Kondapalli	-	19.80

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 : Related party disclosures (Continued)**D Enterprises over which KMP exercise significant influence with relatives****Purchases of milk and services**

Ongole Milkline Private Limited	-	4.63
Mohan Milkline Private Limited	-	1,210.62
Vidya Milkline Private Limited	107.53	782.60
Khammam Milkline Private Limited	314.17	1,622.66
Pamuru Milkline Private Limited	205.29	1,279.34
Kavali Milkline Private Limited	178.76	1,344.28

Asha Holding Private Limited

Availment of services	-	10.40
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Orga Farms Private Limited

Availment of services	-	16.60
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Wereco Foods Private Limited

Availment of services	-	10.40
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E Director Sitting Fees	23.00	17.00
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III. Related party balances at the end of the year:

Particulars	As at 31 March 2026	As at 31 March 2025
A Holding Company - Godrej Agrovet Limited		
Trade payables	-	203.01
Advance to suppliers	175.71	-
B Fellow subsidiaries & other related parties		
Godrej Tyson Foods Limited		
Trade receivable	1.60	1.60
Godrej Cattle Genetics Private Limited		
Trade payables	7.26	99.19
Astec LifeSciences Limited		
Inter corporate deposit - Receivable	-	1,000.00
Interest receivable	-	0.23
Godrej Consumer Products Limited		
Trade receivable	0.14	0.56
C Enterprise over which KMP exercise significant influence with relatives:		
Trade payables (as on 2 June 2025 and 31 March 2025):		
Kavali Milkline Private Limited	-	35.03
Khammam Milkline Private Limited	-	57.17
Pamuru Milkline Private Limited	-	39.30
Pragathi Milkline	-	1.39
Vidya Milkline Private Limited	-	27.98
Trade Receivables:		
Ongole Milkline Private Limited.	-	0.11
E Payable to key management personnel and their relatives		
Kannan Sitaram	-	0.90
Jude Fernandes	-	0.90

All Related Party Transactions entered during the year were in the ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables other than those disclosed.

For the year ended 31 March 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2025: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

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 45 : Corporate Social Responsibility (CSR) expenditure

As per Section 135 of the Companies Act 2013, the Company has formed a CSR Committee. The average net profits of three immediately preceding financial years were negative. Accordingly, the Company is not required to spend any amount on CSR activities during the previous financial year.

Note 46 : 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 2026 and 31 March 2025 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, 2026	For the year ended March 31, 2025
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	989.48	876.03
- Interest	9.77	8.94
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amounts of the payments made to the suppliers beyond the appointed day during the 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 47 : Borrowings movement

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
Balance as at 31 March 2025	-	5,797.30	10,354.23	158.32	16,309.85
Changes from financing cash flows					
Proceeds from loans and borrowings	33.47	2,500.00	-	-	2,533.47
Repayment of borrowings	-	(2,450.15)	-	-	(2,450.15)
Payment of lease liabilities	-	-	-	(83.61)	(83.61)
New leases	-	-	-	80.71	80.71
Interest expense	80.81	320.62	866.35	12.73	1,280.51
Interest paid	(80.81)	(321.62)	(866.36)	-	(1,268.79)
Balance as at 31 March 2026	33.47	5,846.15	10,354.22	168.15	16,401.99

Particulars	Bank Overdrafts	Other Loans and borrowings	Non - Convertible Debentures	Lease Liabilities	Total
Balance as at 1 April 2024	-	13,808.26	10,352.30	183.43	24,343.99
Changes from financing cash flows					
Proceeds from loans and borrowings	-	3,800.00	-	-	3,800.00
Repayment of borrowings	-	(11,614.10)	-	-	(11,614.10)
Payment of lease liabilities	-	-	-	(90.53)	(90.53)
New leases	-	-	-	66.20	66.20
Deletion of leases	-	-	-	(12.89)	(12.89)
Interest expense	78.10	534.15	866.35	12.11	1,490.71
Interest paid	(78.10)	(731.01)	(864.42)	-	(1,673.53)
Balance as at 31 March 2025	-	5,797.30	10,354.23	158.32	16,309.85

Note 48 : Other Statutory Information

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii) The Company has transactions with companies struck off during the year year 31 March 2026 (previous year : 0.79 lakhs).

Name of the party	Nature of transactions (pertaining to balance outstanding)	Transactions during the year ended 31 March 2026	Balance Outstanding as on 31 March 2026	Relationship with Struck off Company
Aditya Inkjet Private Limited	Payable	-	0.79	Non related party

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in cryptocurrency or Virtual Currency during the financial year.

v) The Company have no transactions which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

vi) 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

vii) 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:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

viii) 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:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

ix) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

x) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of account.

S.No	Ratios	As at 31 March 2026	As at 31 March 2025	% change	Remarks
1	Current ratio	0.59	0.94	(37%)	Movement is on account of increase in the current maturities of long term borrowings during the year.
2	Debt-equity ratio	1.21	1.23	(1%)	Not Applicable
3	Debt service coverage ratio	1.53	0.82	87%	Movement is on account of higher repayment of borrowings during the previous year.
4	Return on Equity (%)	6.57%	12.01%	(45%)	Decrease is on account of declined operating margins during the year.
5	Inventory turnover	17.28	12.53	38%	Movement is on account of lower average inventory levels during the year
6	Trade receivables turnover ratio	55.46	76.01	(27%)	Movement is on account of higher average receivables during the year
7	Trade payables turnover ratio	15.42	15.24	1%	Not Applicable
8	Net capital turnover ratio	(14.96)	(176.09)	(92%)	Movement is on account of increase in the current maturities of long term borrowings during the year.
9	Net profit margin	0.65%	1.76%	(63%)	Decrease is on account of declined operating margins during the year.
10	Return on capital employed (%)	7.85%	14.66%	(46%)	Decrease is on account of declined operating margins during the year.
11	Return on investment (%)	5.92%	5.64%	5%	Not Applicable

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

Date: 28 April 2026