

# DODLA DAIRY LIMITED

MILK & MILK PRODUCTS

Corporate Office : # 8-2-293/82/A, Plot No. 270-Q, Road No. 10C,  
Jubilee Hills, Hyderabad - 500033.  
Ph : 040-4546 7777 Fax : 040-4546 7788



Date: 06 June 2022

The General Manager Department of Corporate Services <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalai Street, Fort Mumbai-400 001	The Manager Listing Department <b>National Stock Exchanges of India Limited</b> "Exchange Plaza", 5th Floor, Plot No.C/1, G Block Bandra-Kurla Complex Bandra (East), Mumbai 400051.
<b>Scrip Code : 543306</b>	<b>Scrip Code : DODLA</b>

Dear Sir/Madam,

**Sub: Notice and 27<sup>th</sup> Annual Report 2021-22 of Dodla Dairy Limited**

**Ref: Compliance under Regulation 34 (1) of SEBI (LODR) Regulations, 2015**

With reference to the above stated subject, we wish to inform that the 27<sup>th</sup> Annual General Meeting ('AGM') of the Company will be held on Thursday, 30 June 2022 at 11:00 A.M. IST through Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue in accordance with the Circular issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

Please find enclosed herewith the 27<sup>th</sup> Annual Report of Dodla Dairy Limited for the Financial Year ended 31 March 2022 along with the Notice of AGM. The Annual Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The said Annual Report 2021-22 is also uploaded on the website of the Company at [www.dodladairy.com](http://www.dodladairy.com)

The e-voting shall be open for 3 days, commencing at 9.00 a.m. (IST) on 27 June 2022 and ending at 5.00 p.m. (IST) on 29 June 2022 for all the shareholders, whether holding shares in physical form or in dematerialized form.

This is for your information and records.

Yours Faithfully,  
**For Dodla Dairy Limited**

**Surya Prakash M**  
Company Secretary & Compliance Officer

★ An ISO 22000-2005 & 50001 EnMS Certified Company ★



**Focused on performance**



**Dodla Dairy Limited**  
Annual Report 2021-22

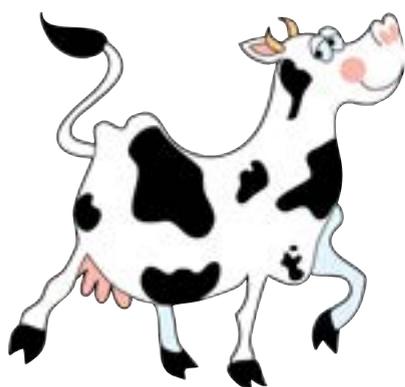
## Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward- looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/ images of our facilities, products or of any such nature/kind.

**Chairman  
Message  
on Page No. 06**

# TABLE OF CONTENTS

About Dodla Dairy Ltd	02
Key Highlights of the Year	05
Message from the Chairman	06
Capability Matrix	08
Investment Rationale	09
Review by The Managing Director and Chief Executive Officer	10
Financial Highlights	12
Review of Financial Performance	13
Review of the Strategy Kpis And Goals	14
Review of Operations	16
How We Create Value	18
Milestones	20
Processing Plants	22
Products	24
Overseas Operations	26
Quality Assurance	27
Board of Directors	28
Core Team	29
Our People	30
Environment	31



Corporate Information	<b>32</b>
Notice	<b>34</b>
Directors' Report	<b>53</b>
Management Discussion and Analysis	<b>87</b>

Independent Auditors' Report	<b>123</b>
Standalone Balance Sheet	<b>135</b>
Standalone Statement of Profit and Loss	<b>136</b>
Standalone Statement of Changes in Equity	<b>137</b>
Standalone Statement of Cash Flows	<b>138</b>
Notes to the Standalone Financial Statements	<b>140</b>
Independent Auditors' Report	<b>199</b>
Consolidated Balance Sheet	<b>208</b>
Consolidated Statement of Profit and Loss	<b>209</b>
Consolidated Statement of Changes in Equity	<b>210</b>
Consolidated Statement of Cash Flows	<b>211</b>
Notes to Consolidated Financial Statements	<b>213</b>

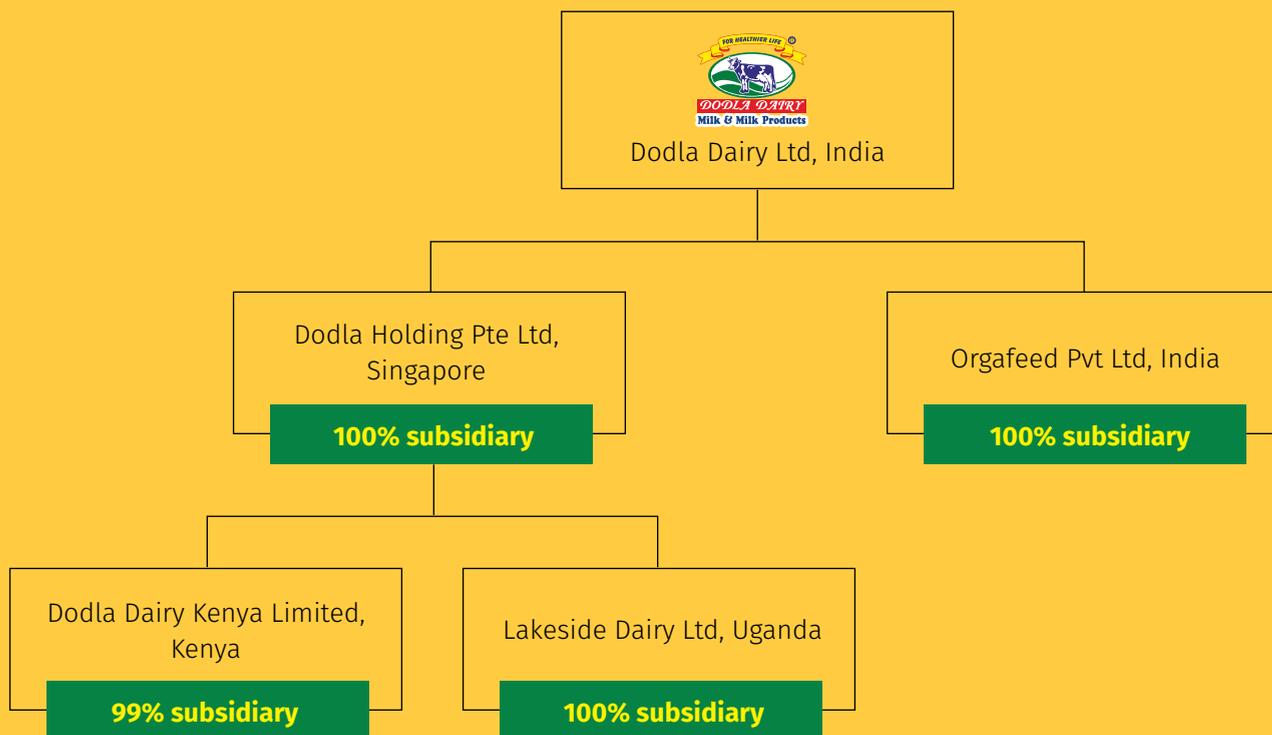
**Review by  
MD & CEO  
on Page No. 10**

**Review of the  
Strategy KPIs and  
Goals  
on Page No. 14**



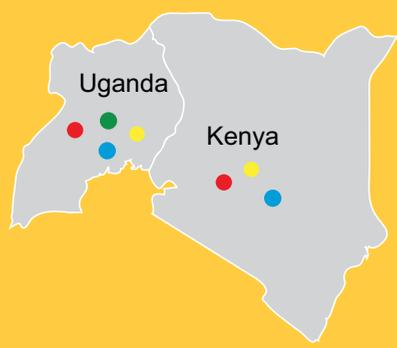
# ABOUT DODLA DAIRY LTD

Dodla Dairy Limited (DDL) is a leading private dairy company in India. The Company is also having overseas operations in Africa. Dodla commenced its production in the year 1998. The company has its strategies & operations for creating value across the dairy value chain. While the core business is dairy processing in liquid milk and value added products, Dodla has a strong value creation model consisting of procuring milk directly from dairy farmers along with empowering them and strong merchandising for creating strong market linkages.





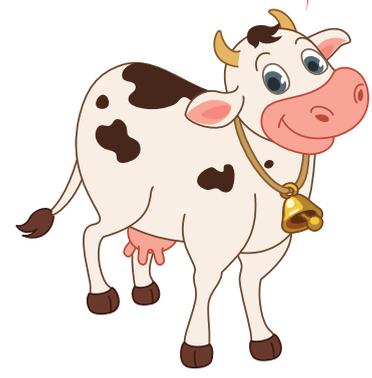
**India**



**Africa**

- Milk Procurement
- Agents
- Retail Outlets
- Dodla Retail Points
- Distributors

**3rd highest  
market presence  
in 12 states**



## Vision

To be a world class dairy company by providing high quality products and services.

## Mission

To supply good and safe milk products consistently through continual improvement of our systems and practices.



# KEY HIGHLIGHTS OF THE YEAR

Revenue

**22,434** million

PAT

**1,328** million

EBIDTA

**2,107** million



Received Emerging Company of the Year Award from South India Business Leader of the Year 2022



SEEM Energy Awards 2020 conferred on Nellore and Palamaner plants

**The Board approved funding the wholly owned subsidiary – Orgafeed Private Ltd upto ₹40 Crores**

**The Board approved funding of stepdown subsidiary Dodla Dairy Kenya Ltd upto INR 40 Crores**



**In March, 2022 the Company acquired Shri Krishna Milks Private Limited, in North Karnataka. This newly acquired unit has a capacity of 1.5 lakhs litres per day and produces Milk, Curd, Lassi, Buttermilk, Ghee, Butter, Khoa, Sweets, Paneer, Flavoured milk and Shrikhand. This new addition will enable the Company to cater the markets in North Karnataka and Goa.**

# MESSAGE FROM THE CHAIRMAN



**Dodla Sesa Reddy**  
Chairman

## Dear Shareholders

**I am happy to reflect on another exceptional year for our Company. This performance comes amidst challenges posed by aftermath of the pandemic and a very difficult global economic and humanitarian situation triggered by the Russia-Ukraine conflict.**

I am happy to reflect on another exceptional year for our Company. This performance comes amidst challenges posed by aftermath of the pandemic and a very difficult

global economic and humanitarian situation triggered by the Russia-Ukraine conflict. India's response to the situation has been pragmatic. This is important to maintain the

country's global supply chains and international relations. Fiscal response in terms of repo rate revisions will certainly have an impact on the interest rates and in FY23 many balance sheets are going to reflect this. However, in such situations how resilient the overall economy and each company's internal dynamics are the true yardstick for evaluating the performance. At Dodla, we have operationally agile, socially responsible and financially prudent business model to overcome these external disorders.

## Our Performance

FY22 has been a good year for our Company. As I always say, a good year for a dairy processing company must be good for the dairy farmers. During the year we further increased our direct procurement from farmers and it is nearing 100%. Today we own the third largest milk procurement network in South India. During the year we commenced procurement from Maharashtra i.e our first foray into a non-south market for milk procurement. On value creation we progressed with respect to empowering farmers with farm inputs, training and ensuring sustained cash flows. We acquired Shri Krishna Milks in North Karnataka as part of our inorganic expansion plans. This new addition into our network of processing units will help us in further expanding our markets in North Karnataka and Goa.

During the year we reported a standalone revenue of ₹ 20,965 million during the year as against ₹18,369 million in FY21. The consolidated revenue for the year is ₹ 22,434 million which increased 15% year on year. Margins were impacted marginally due to the raising material

**We acquired Shri Krishna Milks in North Karnataka as part of our inorganic expansion plans. This new addition into our network of processing units will help us in further expanding our markets in North Karnataka and Goa.**

costs and fuel. Going forward the management is take the necessary steps including prise increase to mitigate this impact.

**Our Approach**

Two important key drivers of our sustainable growth have been our insightful understanding of our key stakeholders’ and market dynamics in the dairy sector. We believe in empowering and delegation of our people and encourage decision making at all levels of the hierarchy. While we have a strong governance model our business model is end to end social as we positively impact over a lakh dairy farmers at one end at the other end we ensure health and nutrition to millions through our milk and VAP products. On the environment, energy, and water conservation many of our plants have progressed and in the coming years we would continue to increase our ESG performance.

**Welcome On Board**

I welcome Smt. Vinoda Kailas on board of our Company. With over 16 years of experience in the global IT sector Vinoda has also been active with her social development initiatives. She is part of our CSR committee and I am sure she will contribute through her experience to our CSR and dairy farmer development initiatives. During the year many new employees joined our Company at various positions. I welcome them to Dodla Family.

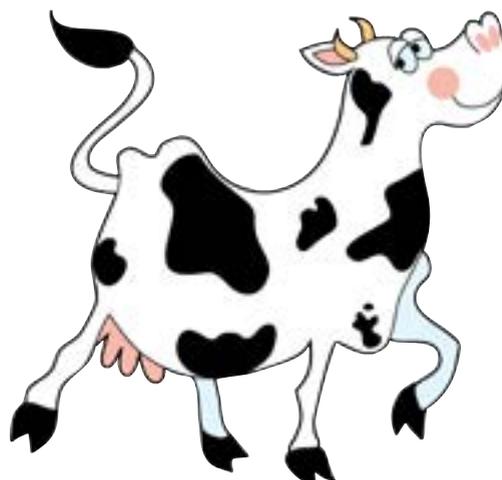
**Concluding Remarks**

I thank our farmers, employees, channel partners and customers as they continue to strengthen our value chain. I also acknowledge the support of our banks, investors, government agencies and regulatory bodies for their guidance and support.

In FY23 Dodla Dairy is turning 25. I am sure the coming year and beyond are going to be exciting as we touch many more strategic milestones.

Regards

**Dodla Sesha Reddy**  
Chairman



# CAPABILITY MATRIX

## PROCUREMENT CAPABILITIES



**121,214**

Dairy Farmers



**7,837**

DDL Collection Centers



**110**

Chilling Centers



**840**

Milk primary transport vehicles

## PROCESSING CAPABILITIES



**14**

Processing Plants in India & Africa



**20**

Lakhs Liters Per Day Installed Capacity



**80**

Feed capacity MPTD

## SALES/ MERCHANDISING CAPABILITIES



**41**

Sales offices



**1,799**

Milk distributors



**563**

Dodla Retail Parlors



**2,986**

Agents

Note : The above data is excluding Sri Krishna Milks

# INVESTMENT RATIONALE

## MANUFACTURED CAPITAL

The Company has strong market and manufacturing footprints across Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. The Product footprints further expands to eastern and western parts of the country as well as in north.

# 14

Fully/semi automated plants leading to improved operational efficiencies and reduce operating costs to manufacture 6 milk and 17 VAP products/ variants under stringent quality processes.

# 40+

Sales offices

The Company has a fast-growing branded dairy product business in Africa through its subsidiaries Lakeside Dairy Limited, Uganda and Dodla Dairy Kenya Limited, Kenya.

The Company has been expanding its manufacturing footprints through acquisitions of existing dairy processing units, capacity increase of the existing facilities and through brownfield projects.

## RELATIONSHIP CAPITAL

Strong Direct procurement model, eliminating middleman, reducing the cost of primary raw material and maintaining relationship with farmers

The company maintains a cordial relationship with the farmer community, channel partners, customers and investors.

## INTELLECTUAL CAPITAL

The main promoters of the Company have a legacy of working with farmers and economically empowering them through philanthropy and livelihood opportunities.

The Company has a deep understanding of the rural economy especially the small dairy farmers with respect to the challenges and opportunities they face.

The senior management of the Company has multiple years of experience in dairy and FMCG business.

The Company has as strong integrated value chain consisting of dairy farmers, procurement mechanism, chilling centers, processing units and a strong distribution and retail network.

## STRONG FINANCIAL CAPITAL

Strong cashflows led to robust balance sheet giving financial flexibility for future growth of Company.

The company has as consistent track record of top line growth i.e Total Income (Revenue from Operations and Other Non-Operational income)

# 13.3%

CAGR since FY13

Proven track record of successfully integrating organic and inorganic assets with existing operations leading to substantial growth.

## NATURAL CAPITAL

Increased focus on process efficiency, energy conservation and renewable energy to reduce the impact on environment.

## PEOPLE CAPITAL

Experience and trained team with industry best HR initiatives

# REVIEW BY THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER



**Dodla Sunil Reddy**  
Managing Director



**BVK Reddy**  
Chief Executive Officer

## **Q: How do you evaluate the FY22 performance?**

**Sunil Reddy:** We have entered our silver jubilee year of operations with great energy. Our quarter century old journey has been eventful with many a milestones achieved. Today we are not just a milk processing and dairy products selling company, but a dairy company with a strong grass to milk value chain. During the year, we achieved an all-time high revenue of ₹ 22,434 million which is 15% growth

year on year. There is a decline in our margins during the year due to increased raw material consumption. However the operational performance indicators and revenue growth during the year are a strong indication of our strategies delivering results.

**BVK Reddy:** We are the third largest dairy company in South India in terms of milk procurement. During the year, we strengthened our 'direct from farmer' procurement mechanism

further. In Q4 FY22, the average milk procurement is ~12.3 LLPD as against 10.8 LLPD last year. During the year, we have also commenced procuring milk from Maharashtra. While the procurement is from five states known for a healthy dairy farming sector, our strong milk and VAP distribution channels are spread across 12 states in the country. As a result of these strong operational value chain initiatives, the sales volumes increased to 12.2 LLPD from 10.9 LLPD in FY21.

### **Q: What were the key drivers of the performance?**

**Sunil Reddy:** The growth has been backed by our ongoing initiatives for expanding markets deeper as well as wider through increasing our sales/distribution channels. This I would call strengthening the forward integration in our dairy value chain, which has resulted in strong volume growth in milk and VAP. The rebound shown by the dairy sector as well as the overall economy post pandemic has in fact helped in continuing the growth trajectory. I would also attribute a large part of this growth to the resilient consumer sentiments. As McKinsey reported in one of its recent publications, the Indian consumers' optimism has remained high since October 2021 and has reached the highest levels across other Asian markets since COVID-19 started.

**BVK Reddy:** Apart from the increase in procurement volumes, processing and sales, we continued expanding our brand promotion initiatives and sales/distribution channels. On a standalone basis, during the year, we added 144 Dodla Retail Points and 245 Milk & VAP distributors. Since FY20, we have been rationalizing a number of agents, to have stronger channel partners onboard.

### **Q: How do you ensure that the performance is sustainable while going through various external volatilities?**

**Sunil Reddy:** External volatilities and opportunities are two sides of the same coin. While we try reaping benefits from the opportunities, the internal capabilities and strategic agilities gives us a shield to remain resilient during hard times. Pandemic is an example of how many of the dairy companies including us exhibited resilience. There are a plethora of lessons to learn from such events as we further finetune the management processes, become

more cost conscious, preserve cash and increase the market insights.

### **Q: How do you see the future of VAPs driving revenue/ margin growth in FY23 and beyond?**

**BVK Reddy:** We have been able to consistently grow volume and value of VAP sales. We have a dedicated team to drive sales for some of the VAP like ice-cream and flavored milk. Merchandising through large retail chains has increased in the last few years. Further, we will drive VAP sales through our expanding sales channels and DRPs.

There is tremendous potential in the next level of VAP – to quote an example, products with enhanced protein content, less sugar – this is a niche market with a 3-to-5-year opportunity window.

### **Q: Going forward what are the strategic priorities?**

**Sunil Reddy:** We would drive growth by focusing on our existing strategies i.e organic and inorganic expansions, strengthening the procurement and backward integration in feeds and steadily expanding our markets in India as well as Africa. While doing this, we would continue to embrace state-of-the-art dairy processing technology with focus on automation which will help us in reducing operational costs and increase efficiencies.

With regards to expanding business, we are right now more focused on current geographies. Ease of transport, efficiency of production, affordability and stability and ultimately consumer choice are the factors that influence the geography that we operate from.

### **Q: What are the key challenges emerging while going forward and the Company's preparedness?**

**Sunil Reddy:** We are in a socially responsible business consisting of a

chain with dairy farmers who need to be empowered at one end and price sensitive consumers at the other end. Dairy farmers - source of our most important raw material - are exposed to various challenges related to climate change, animal health to name a few. Our cattle research station at Kadappa in AP is currently focusing on developing increased animal productivity. We have entered cattle feed business in FY19 basically to add value to Dodla Dairy Farmers. Over the years, we have built in a business model encompassing the interest of all stakeholders. Environment sustainability is another area in which we are progressing steadily.

**BVK Reddy:** As Sunil pointed out, having an integrated dairy business, consisting of procurement, processing, distribution and marketing and thus increasing ability to manage and maintain an end-to-end value chain is our groundwork against external challenges. Operational agility gained over the last 25 years is the key differentiating factor as we continue to experiment, change and adapt to situations. Last but not the least, our experience team across the functions have multiple years of experience in dairy/ FMCG sector. We have a balanced top down and bottom-up approach when it comes to strategizing, deliberating and implementing. Our attrition rates, especially at the middle level and senior levels, are less as we ensure professional growth as well.

Thus, at Dodla, our mantra is 'raise standards each time we cross the nearest benchmark!'

# FINANCIAL HIGHLIGHTS

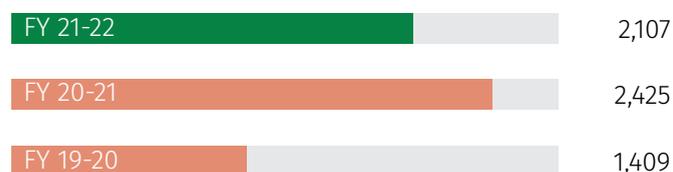
## OPERATING REVENUE (₹ in Million)



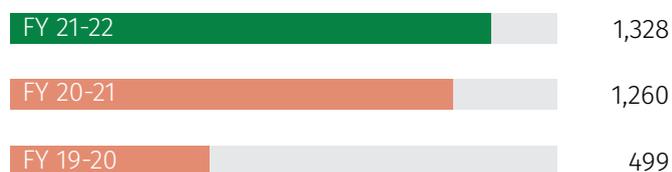
## GROSS PROFIT (₹ in Million)



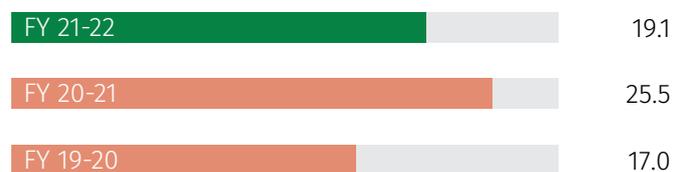
## EBITDA (₹ in Million)



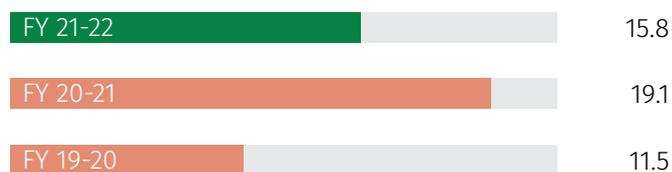
## PAT (₹ in Million)



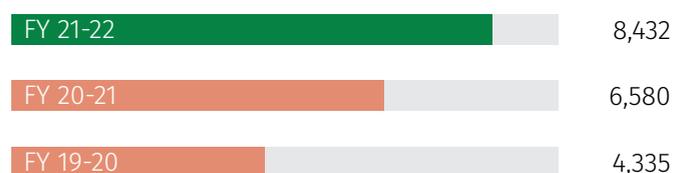
## RoCE (%)



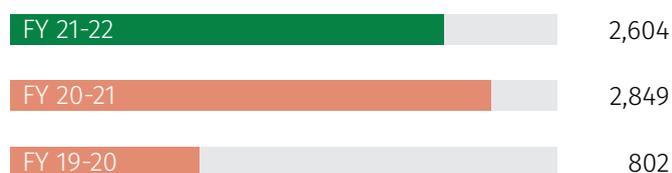
## RoE (%)



## NETWORTH (₹ in Million)



## CASH AND CASH EQUIVALENT (₹ in Million)



# REVIEW OF FINANCIAL PERFORMANCE

In FY22 we saw a growth in revenue by 15% vis-à-vis FY21, despite facing headwinds due to multiple covid waves. This growth was driven by milk volume growth, which was around 12% YoY as well as VAP growth, which grew by around 22% year on year in value terms. This year our margins were slightly under pressure due to rising fuel prices. We plan to mitigate this in the future by taking price hikes, a strategy that has worked for us in the past.

Dodla Dairy limited has zero debt this year vis-vis Rs. 869 million in FY21 and Cash and Cash equivalents stand at around Rs 2,604 million. This is a results of healthy sales and A grade stores and growth in our Dodla Retail Parlours, which stand at 563 as of FY22 as against 393 in FY21.

DEBT	(₹ in Million)
FY 21-22	Zero Debt
FY 20-21	869
FY 19-20	1,501

The company deployed an amount of Rs. 50 crores for the acquisition of Shri Krishna Milks Private Limited, which was in line with our strategy of powering growth through organic and inorganic means. Apart from penetration in the Northern Karnataka and Goa market, this acquisition will also enhance our product offerings and production capacities.

Proactive supply chain and operation planning measures enabled us to limit the impact of multiple COVID-19 disruption in FY22, which in turn resulted in Operating Revenue of Rs. 22,434 million, Gross Margins of 27.5%, EBITDA Margins of 9.4% and PAT Margins of 5.9%. Our ROE stands at 15.8% & ROCE at 19.1% for the year under review. These numbers were achieved due to our ability to build and execute a strong business model despite a challenging year. Additionally, efforts are being made to enhance the margins and growth rate powered by pricing, increase product share and sales volume of Value-Added Products (VAP). These VAPs have a high growth rate and margin, which would further improve overall profitability of the company. We continue to strive for enhancing our footprint and brand visibility with every passing

year and we are making constant efforts to expand our geographical footprint, distribution network, strengthen brand recognition, and improve our margins to power unmatched growth in the industry. With this increasing footprint, growing numbers in Africa each successive quarter, and resilient VAP sales and pricing power, we are confident of achieving our year end margin targets and becoming a formidable player in the dairy industry.

**Efforts are being made to enhance the margins and growth rate powered by pricing, increase product share and sales volume of Value-Added Products (VAP). These VAPs have a high growth rate and margin, which would further improve overall profitability of the company.**

**Dodla Dairy Ltd has zero debt this year vis-vis Rs. 869 million in FY21**



# REVIEW OF THE STRATEGY KPIS AND GOALS

## KEY DRIVERS OF THE BUSINESS

**Milk is the raw material in dairy processing. India is world's largest producer and consumer of milk. However the unorganised sector still constitutes more than 50% of the dairy sector in India. This gives room for tremendous growth opportunities for organised players for years to come.**



**It is foreseen that Indian milk production will increase to about 330 MMT between 2032-2033.**

The growth is being driven by the raising population numbers, along with greater product affordability and availability in the retail and foodservice sectors. Indians are turning, in increasing numbers, to the consumption of milk and value added dairy products in the pursuit of higher protein intake. India's per capita milk availability at 427 grams (g)/day (2020-2021), already exceeds the world average of 305 g/day (2020).

**Per Capita Milk Availability has grown from 375 gms per day in FY18 to 427 gms per day in 2021**

India is aiming at doubling milk processing capacities to 108 million tonnes by 2025. The value addition

in milk is targeted to increase from 23 per cent currently to 40 per cent as industry looks to bring in more product and food technology innovations in dairy sector.

As per a report by Crisil published in February, 2022. The organised dairy industry in India is likely to witness 12% revenue growth in FY22 and is expected to reach ₹1.6 lakh crore. This growth due to post covid recovery in demand for VAPs and steady sales of liquid milk.

**India is world's largest producer and consumer of milk**



## STRATEGIES & KPIs

Strategies	Key Developments in FY2022	Outcomes/KPIs
Enhance Dodla brand visibility and expand the reach of our products.	<p>India: Increased number of DRPs from 393 FY21 to 537 in FY22. Milk and Product Distributors increase from 1,405 in FY21 to 1,650 in FY22.</p> <p>Africa: Retail and distribution networks in Uganda and Kenya increased from 133 in FY21 to 217 in FY22.</p>	Consolidated revenue increased from 19,440 million in FY21 to 22,434 million in FY22. PAT 1,328 million vis a vis 1,260 million in FY21.
Increasing milk procurement – farmers and locations.	Total farmers increased from 1.09 Lakhs to 1.21 Lakhs. Also increased the number of chilling centers and milk transport capabilities in India and Africa.	<p>Average daily procurement in India increased to 1,173,468 LPD in FY22 from 1,026,160 LPD in FY21.</p> <p>Africa: Average daily procurement in Africa increased to 72,578 LPD in FY22 to 52,508 LPD in FY21.</p>
Expanding production capacities through organic and inorganic growth.	Acquired Sri Krishna Milks Private Limited, in North Karnataka. which has a capacity of 1.5 Lakhs Litres Per Day.	Number of processing plants 15 with a combined processing capacity of 21.5* LLPD.
Increase Revenues from Value Added Products	FY22 initiatives for VAP.	VAP revenue share increased during the year.
Strengthening Overseas Operations	Continue to expand overseas operations. In FY22 Board approved funding of stepdown subsidiary Dodla Dairy Kenya Ltd upto INR 40 Crores.	Sales increase in LDL and DDK.

\* Including Sri Krishna Milks

## MILK PROCUREMENT



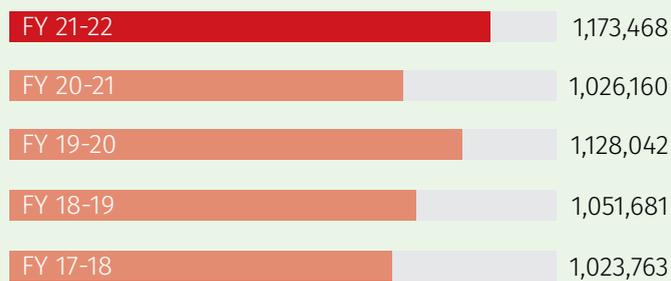
**Our processing plants, procurement operations in relation to procurement of raw milk and distribution operations till FY21 was primarily concentrated in southern India - in the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. These four states are having a thriving dairy farming sector and a combined average per capita milk availability of 475 gms per day which is above the national average of 406 gms per day. Among these states Andhra Pradesh has one of the highest per capita milk availabilities in the country i.e 799 gms per day.**

### Key Strategies

The key procurement strategy of the Company is to increase direct procurement from farmers as part of the Company's focus on strengthening the dairy value chain, increase the quality of milk, enable farmers with better forward linkages consisting of transparent pricing, IT enabled procurement process management and prompt payment. As part of the initiatives to increase direct procurement total numbers of agents in reduced to 273 agents in FY22 compared to 3,683 agents in FY18.

**As a beginning of the Company's strategy to expand its procurement base beyond South India, during the year milk procurement commenced from Maharashtra with a daily average procurement of 100,000 Litres.**

#### MILK PROCUREMENT OVER THE YEARS (INDIA) LPD\*



\*Litres Per Day

**During the year milk procurement commenced from Maharashtra with a daily average procurement of 100,000 Litres**



# MILK PROCUREMENT

## Strengthening The Dodla's Value chain by empowering Dairy Farmers

### DAIRY FARMERS

# 121,214

Dodla Dairy Farmers

We ensure remunerative price to farmers for the milk we procure at DDL centres. The quantity and quality of the milk are tested in their presence. We pay the farmers once every 10 to 15 days with the money being sent directly to their bank accounts.

We also facilitate loans from banks for our dairy farmers for investing in the dairy farms.

**Nearly 400 dodla dairy farmers were benefitted in FY22 with a total loan sanction from banks.**

Dairy Loans Sanctioned in FY22

# ₹ 121 Lakhs

The Company has tied up with veterinarians to provide services to farmers for their cattle's.

The AI activity in the villages enable us to inseminate 5427 hybrid semen doses to the milch animals. The Company also organise various clean milk production camp in the villages to educate the farmers.

The Company's subsidiary, Orga feed procure raw material, manufacture cattle feed and sell the same at reasonable rate through DDL - CCs.

### DDL COLLECTION CENTRES

# 7,837

Dodla Dairy Farmers

At our DDL Centres, to ensure transparency in procurement we test the quality and quantity of the raw milk procured by the farmers with electronic milk analysers. Dodla Dairy Collection Centres are equipped with GPRS enabled milk analyzers, weigh scales which provide a transparent reading of quantity and quality.

### CHILLING CENTRES

# 110

Chilling Centres

Our chilling centres are strategically placed in close proximity to the potential milk shed areas in order to maintain the freshness of the raw milk.

We conduct all the platform tests, adulteration tests, etc., at our chilling center QA Lab to assess various QA parameters which increases the shelf life of the market milk.

**DDL Collection Centres are equipped with GPRS enabled milk analyzers, weigh scales which provide a transparent reading of quantity and quality.**



# CATTLE FEED BUSINESS

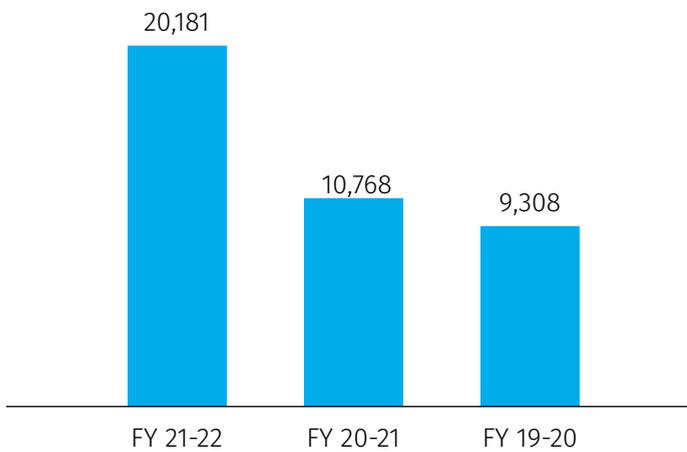
The Company was incorporated as a wholly owned subsidiary on 28 August 2019, Orgafeed Private Limited made a slump purchase of M/s. Bharathi Feed mixing plant, a cattle feed plant based out of Kadapa district, Andhra Pradesh. The business of Orgafeed is to procure raw material, manufacture cattle feed and sell the same through their network of milk collection centres of 7000+ in number. These collection centres (Dodla Dairy Centres) operate by farmer representatives.



**80** MTPD

Production Capacity

## FEED PRODUCTION IN TONS



₹ **420** million

FY 22 Revenue from operations  
(from ₹ 220 million in FY21)

₹ **51** million

FY 22 EBITDA from operations  
(from ₹ 38 million in FY21)



# MILESTONES

## GREENFIELD PROJECT

**2019**

Ice cream plant expanded to 10,000 LPD also installed extruder machine.

Second fully automated Dairy commissioned at Chendurthi, East Godavari

**2014**

Commenced production Indargi plants. Commenced production of UHT Milk in Indragi. Plant Large scale dairy farm in Pulivendula.

**2009**

Established milk powder plant and SMP plant at Nellore.

**1997**

Commenced production in Nellore plant.

**2017**

First fully automated Dairy commissioned at Gundrampally, Hyderabad.

**2011**

Commenced production at Tanuku plant  
Commenced production in Tumkur plant.

**2007-2004**

**2007:**  
Commenced production in Badvel plant.

**2004:**  
Commenced production in Palamaner plant.

## BROWNFIELD PROJECTS

### 2022

In March, 2022 the Company acquired Shri Krishna Milks Private Limited, in North Karnataka.

### 2016

In FY16 the Company acquired a processing plant in Dharmapuri in Tamil Nadu. This new plant has helped Dodla Brand to expand in central and south Tamil Nadu markets & Bangalore.

### 2013

Acquired a processing plant in Kurnool 2014. The processing plant processes milk and manufactures VAPs

### 2001

Penumur plant was acquired and commenced its operations in 2002. This plant processes milk and manufactures dairy based VAPs.

### 2019

Acquired KC Dairy with two dairy plants (1.45 LLPD) & 10 MTPD powder plant in Dindigal, Tamil Nadu.

Incorporated OrgaFeed Pvt Limited and acquired M/s. Bharathi feed mixing plant near Kadapa town of AP.

### 2014

In 2014 Lakeside Dairy Ltd., was incorporated by Dodla Holding Pte Ltd (DHPL, Singapore) to acquire the business of Hillside Dairy & Agriculture Ltd., in Uganda and to carry on with the business of Dairy.

### 2007

Sattenapalli processing plant was acquired in 2007. The processing plant processes milk and manufactures dairy based VAPs.

# PROCESSING PLANTS

In India the Company has 13 milk processing plants across the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu with a combined installed milk processing capacity of 17 LLPD. These processing plants are strategically located near our markets as well as our procurement clusters.

The Company has a processing plant in Uganda for catering the dairy markets in Uganda and Kenya with capacity of 3.0 LLPD.

The Company continue to upgrade its dairy plants with advance processing and packaging technologies /machineries. We continued to introduce improvements in dairy plant design by incorporating high levels of process automation at all-new generation plants. Our plants at Hyderabad, Rajahmundry and Palamaneru are fully automated. In the FY 21-22 after so many efforts and challenges faced then successfully completed Nellore Plant automation without any delay for regular Business operations. Automation is being introduced across all other plants in a phase manner. This has helped in improving product quality and operational efficiencies.

## Key Strategies

At Dodla, Merger and Acquisition (M&A) is a key strategy to increase processing capacity and increase growth in the desired markets. Sustaining the rising input costs, competition branding and merchandising abilities are the key concerns for small dairy processing units and hence the business can sustain by merging with a larger entity. At Dodla we have been expanding through our greenfield as well as brownfield projects (inorganic growth). Since 2001 the Company has acquired 7 plants in Andhra Pradesh, Telangana, Karnataka, Tamil Nadu and Uganda.

# 14

Processing Plants

	Nellore (AP)	<b>2,07,300 LPD</b>
	Settenapalle (AP)	<b>46,700 LPD</b>
	Kurnool (AP)	<b>50,000 LPD</b>
	Hyderabad (TS)	<b>2,84,200 LPD</b>
	Batlagunda (TN)	<b>95,000 LPD</b>
	Penumur (AP)	<b>50,000 LPD</b>
	Badvel (AP)	<b>50,000 LPD</b>



Indragi (KA)  
**2,00,000 LPD**



Rajahmundry (AP)  
**1,50,000 LPD**



Palamaner (AP)  
**3,80,000 LPD**



Tumkur (KA)  
**35,000 LPD**



Dharmapuri (TN)  
**1,00,000 LPD**



Vedasundur (TN)  
**50,000 LPD**

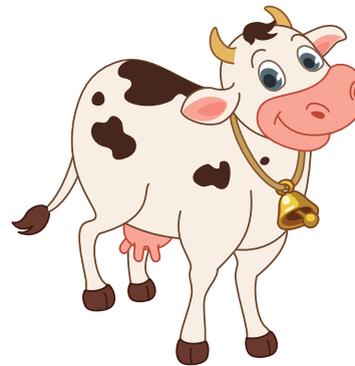


Uganda  
**3,00,000 LPD**



Note : The above data is excluding Sri Krishna Milks

In India the Company has 13 milk processing plants across the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu with a combined installed milk processing capacity of 17.0 LLPD and 1 in Uganda 3.0 LLPD



Milk



Value Added Products



# PRODUCTS



Dodla offers different types of milk in pouches as per customer requirements, such as Full Cream Milk, Toned Milk, Standardised Milk, Double Toned Milk and UHT Milk.



Dodla curd is made from pasteurized milk with selected strains of lactic acid bacteria. It is hygienically processed and doesn't contain any preservatives. The thick and creamy Dodla curd comes with a firm and glossy texture. Dodla curd contains all the goodness of milk such as proteins, carbohydrates, fats, calcium, phosphorous, magnesium, zinc, iodine and vitamins.



Our sterilized flavored milk products have a shelf life of 120 days from the date of manufacture and are made by blending pasteurized double toned milk with other ingredients. Our sterilized flavored milk is available in seven flavors - Badam, Strawberry, Pista, Vanilla, Elaichi, Chocolate and Pineapple. Our sterilized flavored milk is sold in the states of Karnataka, Tamil Nadu, Andhra Pradesh and Telangana.



Dodla Butter is made from the fat of cow and buffalo milk. Butter is produced in three variants - yellow salted butter made from cow milk cream (table butter), yellow cooking butter made from cow milk cream and white cooking butter made from buffalo milk. Our white cooking butter is sold in boxes of 500 gms. Our yellow salted butter is sold in boxes of 200 gms and 500 gms and yellow cooking butter in boxes of 500 gms and 20 kgs. Our butter is sold in the states of Andhra Pradesh, Tamil Nadu, Karnataka and Telangana.



Dodla Ghee is extracted from cow and buffalo milk. Ghee is produced in three variants - cow ghee, white ghee (buffalo ghee) and premium ghee (full boiled white ghee). We collect and treat cow and buffalo milk separately and do not mix them during processing. Both cow and buffalo ghee are sold in jars, pouches, sachet and tin.



Our ice creams are available in 62 stock keeping unit ("SKUs") and is available in box, bars, cones and cups. Our ice creams are manufactured using only milk fat and cream.



Our paneer is an unaged, acid-set, non-melting cottage cheese made by coagulating the pasteurized milk using citric acid.



Butter milk and Sweet Lassi is sold in pouches and cups and is sold in the states of Telangana Andhra Pradesh Karnataka and Tamil Nadu.



We also manufacture milk based sweets such as doodhpeda, gulab jamun and basundhi. Our milk based sweets are sold in the states of Andhra Pradesh, Tamil Nadu and Telangana.

## REVIEW OF VAP

Dodla Dairy has been expanding its range of value-added products catering to a diverse and growing consumption habits. As in FY22 the Company has 17 value added products such as Curd, Ice Creams, Flavored Milk, Lassi, Butter Milk, Yoghurt to name a few.

### VALUE ADDED PRODUCT (VAP) SALES (₹ million)

FY	Value Added Product (VAP) Sales (₹ million)
FY 21-22	5,254
FY 20-21	4,324
FY 19-20	4,890
FY 18-19	3,882
FY 17-18	3,455

## DISTRIBUTION CHANNELS

**537** Dodla Retail Points  
**2,944** Agents

**1,650** Milk and VAP Distributors



# OVERSEAS OPERATIONS

**Dodla operates in Kenya and Uganda in Africa through its subsidiaries Lakeside Dairy Limited & Dodla Dairy Kenya Limited. Our African product portfolio is marketed under the “Dairy Top” and “Dodla +” brands and includes milk, yogurt with different flavours, ghee, paneer, cheese and UHT milk.**



**Uganda:** Lakeside Dairy Ltd. was incorporated on 15th July 2014, with the acquisition of Hillside Dairy & Agriculture Ltd., to carry forward the business of Dairy and Agriculture. It is a wholly owned subsidiary of Dodla Holdings Pvt. Ltd., Singapore. Hillside Dairy Limited already had a commendable presence in Western and Central Uganda.

**10,000+**

Farmers

**100,000+**

Liters of milk per day

**26**

DRP's

**91**

Distributors

**12+**

Districts covered – Milk procurement

**50+**

Districts Covered in Uganda-  
Milk & Milk products sales



**Kenya:** DDKL has 14000+ Sq.ft. of storage capacity in Kenya. DDKL operates on Distributor Model and has 100+ Distributors, Agents & approx. 6000 Retailers, serving 60,000 Individuals with Healthy Dairy Top Milk on daily basis. Dodla Dairy-Kenya Ltd has split its sales team into two regions, namely: Nairobi Region and Kisumu Region.

# QUALITY ASSURANCE

**For safeguarding quality of milk and milk products, Dodla's QA department ensures that the entire supply chain of the Company adheres to food quality systems and SOPs.**

## At village level DDL Centers

GPRS enabled electronic milk analyzers are used at DDL centres for testing Fat and SNF electronically and also precise measurement of quantity by using electronic weighing balance. The data captured by these are transferred automatically through GPRS for further processing. Necessary quality checks such as organoleptic test- appearance, smell & taste abnormality/adulteration are conducted.

## Quality checks at Milk Chilling Centres

18 types of stringent tests are conducted to verify the purity and safety of milk which include organoleptic tests, chemical test and tests for adulteration. Besides this Methylene Blue Reduction Test (MBRT) is done for every route milk to assess the microbial quality of raw milk. Infrastructures such as CIP system and hot water facilities are provided at chilling centers for hygiene and cleanliness.

## Quality checks at Dairy Plant

Complete testing (35 types) of the procured milk is done for all physical, chemical, and microbiological parameters besides tests for adulterants, preservatives and contaminants as per FSSAI testing protocols. Also, we check bacterial quality of milk from each chilling centre to confirm SPC is below 60 lakh cfu/ml. A strict vigilance is maintained on the cleaning and monitoring.

Periodically milk and milk products are tested through external NABL certified labs for the entire parameters of chemical, microbiological and contaminants (Insecticides, antibiotics / veterinary drugs and pathogens).

For ensuring the quality of packaging materials, vendor audits are carried out at defined intervals.

## Quality Certifications:



All our plants and milk chilling centers have FSSAI certifications.



BIS certification for skimmed milk powder (SMP) production at our Nellore and Veda sandur plants.



Export Inspection Council



AGMARK certification for our ghee produced at Nellore and Hyderabad plants.



Nine of our dairy plants and two of our milk chilling centers are ISO 22000 certified.



**FSSC 22000**

Our Hyderabad plant is FSSC 22000 certified.



Two of our plants are ISO 50001 certified.

**UNBS Permits**

# BOARD OF DIRECTORS



**Dodla Sesa Reddy**  
Chairman



**Dodla Sunil Reddy**  
Managing Director



**A Madhusudhana Reddy**  
Whole Time Director



**Akshay Tanna**  
Nominee Director



**Tallam Puranam Raman**  
Independent Director



**Vinoda Kailas**  
Independent Director



**Rampraveen Swaminathan**  
Independent Director



**Raja Rathinam**  
Independent Director

# CORE TEAM



**BVK Reddy**  
CEO



**Anjaneyulu Ganji**  
Chief Financial Officer



**Balakrishna Reddy**  
Head Production



**Rameshwer Reddy**  
Head Sales



**Ravi. P**  
Head of Project



**VCS Reddy**  
Head Materials



**Krishna Prasad**  
Head IT



**Suresh Subramanian**  
Head Procurement



**P V N Satish Reddy**  
Head Quality



**A Madhusudhana Reddy**  
Head HR & Admin



**Sri Hari Reddy**  
Head Operations  
Uganda



**Anand**  
Head Operations  
Kenya



**Narahari N**  
Head Operations  
Orgafeed Pvt LTD



**Surya Prakash M**  
Company Secretary  
and Compliance Officer

# OUR PEOPLE

The human resource development goal of the company is to Identify, attract, develop and retain selfmotivated people and to enable them to align with the company's vision, mission and values.



The major focus areas of HR at Dodla are automation of various HR functions, effective implementation of PMS in the organization and Identification of competencies for various key positions in the organization

### Key Initiatives for Retaining and acquiring talent

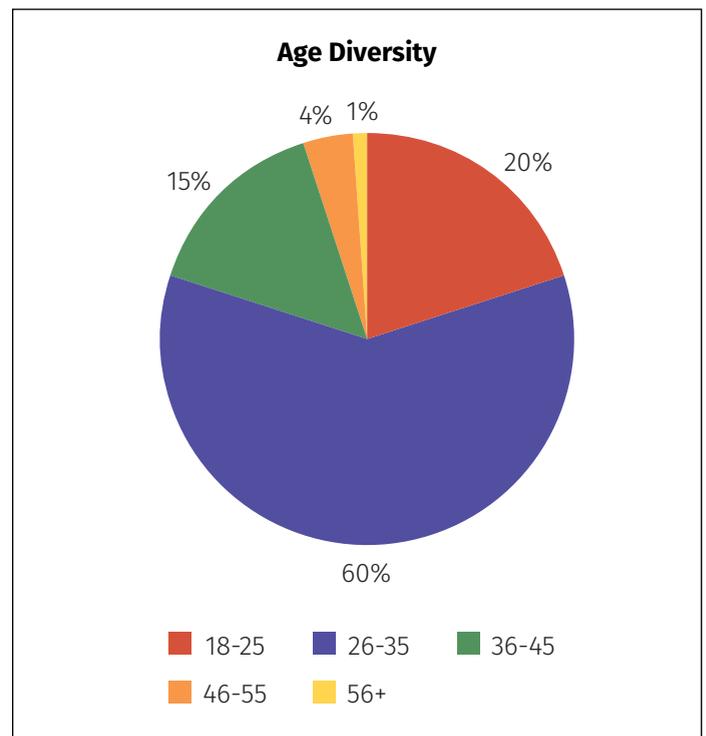
We have a complete online Appraisal System in our organization covering all levels of employees and all employees have been assessed based on their KRAs and deliverables on quarterly / half yearly basis.

Our company Salaries & benefits are at par with Industry standards, and we bench mark our pay & benefits with peer companies and take necessary changes and ensure employee satisfaction.

During the year 21-22 the attrition considerable dropped by close to 6 % comparing previous year.

### Key HR initiatives during the year

We have automated most of the HR activities in various applications like SuccessFactors, Employee Portal and Compliance tool . We have also received an Award for our organisation from FTCCI in large scale category for Best in HR Technology / Analytics.



# ENVIRONMENT

The company is strongly committed to protect the environment by taking all suitable measures for its sustenance and improvement.



## KEY INITIATIVES ON ENVIRONMENT & ENERGY



Methane gas emitted from the ETP is used for canteen purpose and also for boiler



Rainwater harvesting at all our major processing plants like Indragi, Chendurthi and Gundrampalli.



Green belt development and plantation at all our Plants and chilling centers. Covering more than 50 acres of land and about 10 acres of land at our CC units at various locations



RO Rejected water / ETP outlet water is used for toilet flushing and crate washing etc.



Installation of solar panels at 5 processing plants and 2 Chilling centers and Corporate Office.



30% used plastic film is being recycled through authorized recycling agencies.



Paperless Office at our Corporate and sales Offices.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Dodla Sesha Reddy	:	Chairman
Mr. Dodla Sunil Reddy	:	Managing Director
Mr. A. Madhusudhana Reddy	:	Whole Time Director
Mr. Akshay Tanna	:	Nominee Director
Mr. Rampraveen Swaminathan	:	Independent Director
Mr. Tallam Puranam Raman	:	Independent Director
Dr. Raja Rathinam	:	Independent Director
Mrs. Vinoda Kailas	:	Independent Director

## KEY MANAGERIAL PERSONNEL

Mr. Busireddy Venkat Krishna Reddy	:	Chief Executive Officer
Mr. Anjaneyulu Ganji	:	Chief Financial Officer
Mr. Surya Prakash Mungelkar	:	Company Secretary & Compliance officer

## AUDIT COMMITTEE

Mr. Tallam Puranam Raman	:	Chairman
Mr. Rampraveen Swaminathan	:	Member
Dr. Raja Rathinam	:	Member
Mr. Dodla Sunil Reddy	:	Member

## NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

Mr. Rampraveen Swaminathan	:	Chairman
Mr. Tallam Puranam Raman	:	Member
Mr. Dodla Sesha Reddy	:	Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Dodla Sesha Reddy	:	Chairman
Mr. Akshay Tanna	:	Member
Mrs. Vinoda Kailas	:	Member

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Tallam Puranam Raman	:	Chairman
Mr. Akshay Tanna	:	Member
Mr. Dodla Sunil Reddy	:	Member

## RISK MANAGEMENT COMMITTEE

Dr. Raja Rathinam	:	Chairman
Mr. Akshay Tanna	:	Member
Mr. A. Madhusudhana Reddy	:	Member

<b>Registered &amp; Corporate Office</b>	:	8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033. Telangana, India. Ph: 040-45467777; Fax: 040-45467788 Email: cs@dodladairy.com www.dodladairy.com
<b>Corporate Identification Number</b>	:	L15209TG1995PLC020324
<b>Statutory Auditors</b>	:	M/s. B S R & Associates LLP Chartered Accountants, Salarpuria Knowledge City, Orwell, B Wing, 6th Floor, Unit 3, Sy. No. 83/1, Plot No.2, Raidurg, Hyderabad – 500 081. Telangana, India.
<b>Internal Auditors</b>	:	M/s. BDO India LLP 1101/B, Manjeera Trinity Corporate JNTU-Hitech City Road, Kukatpally, Hyderabad-500072, Telangana, India
<b>Secretarial Auditors</b>	:	M/s. MNM & Associates Practicing Company Secretaries Flat No. 202, Plot No.472, GMR's Sai Kuteer, KPHB-6th Phase, Near Vijetha Super Market, Hyderabad - 500 072. Telangana, India.
<b>Bankers</b>	:	HDFC Bank Limited ICICI Bank Limited
<b>Registrars &amp; Share Transfer Agents</b>	:	KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana, India Phone: +91 40 6716 1606 Fax: +91 40 23001153 Email id: einward.ris@kfintech.com Website: www.kfintech.com

# NOTICE

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of Dodla Dairy Limited will be held on Thursday, 30 June 2022 at 11:00 A.M. IST through Video Conference (“VC”)/ Other Audio-Visual Means (“OAVM”) facility, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2022, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Dodla Sunil Reddy (DIN: 00794889), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S.R.Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004), be and is hereby appointed as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors, M/s. B S R & Associates LLP, Chartered Accountants (ICAI Registration No.: 116231W/ W-100024), to hold office for a term of five consecutive years from the conclusion of 27<sup>th</sup> Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2027, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.”

## SPECIAL BUSINESS:

4. **Tore-appointment of Mr. Ambavaram Madhusudhana Reddy (DIN: 08126380) as Whole-time Director of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, (“Act”), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ( the ‘Listing Regulations’) and other applicable provisions of Listing Regulations subject to articles of Association of the Company, and the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and applicable Regulatory Authorities, and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to reappoint of Mr. Ambavaram Madhusudhana Reddy (DIN: 08126380), as “Whole-time Director” of the company for a term of 5 years commencing from 01 May 2023 to 30 April 2028 on the remuneration and on such terms and conditions as set out in the agreement with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof and as may be agreed between the Board of Directors and the appointee director for the aforesaid period and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Whole Time Director shall be paid salary, perquisites and other allowances as set out in Explanatory Statement, as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Central Government, if so required, in accordance with the provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**5. To re-appointment of Mr. Rampraveen Swaminathan (DIN: 01300682) as an Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualification of Directors), Rules, 2014, and Regulation 17 and any other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended from time to time, and the Articles of Association of the Company, Mr. Rampraveen Swaminathan (DIN: 01300682), who was appointed as an Independent Director of the Company at the board meeting from 13 July 2018 and members approval taken at the 23<sup>rd</sup> Annual General Meeting of the Company and who holds office up to 12 July 2023, and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) years commencing from 13 July 2023 to 12 July 2028.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**6. To re-appointment of Mr. Tallam Puranam Raman (DIN: 00320782) as an Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act,

2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualification of Directors), Rules, 2014, and Regulation 17 and any other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended from time to time, and the Articles of Association of the Company, Mr. Tallam Puranam Raman (DIN: 00320782), who was appointed as an Independent Director of the Company at the board meeting 13 July 2018 and members approval taken at the 23<sup>rd</sup> Annual General Meeting of the Company and who holds office up to 12 July 2023, and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) years commencing from 13 July 2023 to 12 July 2028.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**7. To continuation of directorship of Mr. Tallam Puranam Raman (DIN: 00320782), Director and ratification in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, ratification and approval of the members of the Company be and is hereby granted to Mr. Tallam Puranam Raman

(DIN: 00320782) who has attained the age of eighty (80), to continue to be a Non-Executive Independent Director of the Company for five years from 13 July 2023 to 12 July 2028 and being the date of expiry of his second/Current term of office and whose office shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**8. To continuation of directorship of Mr. Dodla Sesha Reddy (DIN: 00520448), Director and ratification in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, ratification and approval of the members of the Company be and is hereby granted to Mr. Dodla Sesha Reddy (DIN: 00520448), who has attained the age of eighty (80), to continue to be a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**9. To ratification of Dodla Dairy Limited- Employee Stock Option Plan, 2018 (“ESOP 2018” or “Plan”)**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** in Extra-Ordinary General Meeting held on 23 March 2018 members had approved Employee Stock Option Plan, 2018 (“ESOP 2018” or “Plan”), in furtherance of and supplement to the special resolution passed by the shareholders of the Company in their Annual General Meeting held on 17 July 2018 and pursuant to the applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (including any

statutory modification(s) or re-enactment thereof for the time being in force) (“SEBI ESOP Regulations”) and any other SEBI Regulations, Section 62 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other relevant provisions for the time being in force and as may be modified from time to time, provisions contained in the memorandum of association and the articles of association of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the “Applicable Laws”) and subject to any approvals, permissions and sanctions of any / various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and based on the recommendation of the nomination and remuneration committee of the board of directors of the Company, which may be agreed to by the board of directors of the Company (hereinafter referred to as the “Board” which shall be deemed to include Nomination & Remuneration Committee constituted by the Board under Section 178 of the Companies Act, 2013 to exercise its powers, including the powers, conferred by this resolution), the Dodla Dairy Limited- Employee Stock Option Plan, 2018 (hereinafter referred as the (“ESOP 2018” or “Plan”) as approved by the shareholders of the Company in their Extra-Ordinary General Meeting held on 23 March 2018 and amended by the shareholders of the Company in their Annual General Meeting held on 17 July 2018, prior to Initial Public Offering (IPO) of Shares of the Company, be and is hereby ratified within the meaning of SEBI (Share Based Employee Benefits) Regulations, 2014 and any other applicable regulations , consent of the Company be and is hereby accorded to the Board to issue and allot at any time to or to the benefit of such person(s) who is in permanent employment of the Company and as per the Dodla Dairy Limited- Employee Stock Option Plan, 2018 (“ESOP 2018” or “Plan”) , options exercisable into not more than 8,35,074 Equity Shares of the Company, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the Applicable laws or guidelines issued by the relevant

Authority and to amend the ESOP 2018 as may be required and each option would be exercisable for one Equity Share of a face value of ₹ 10/- each fully paid-up on payment of the requisite exercise price to the Company.

**RESOLVED FURTHER THAT** the changes in ESOP 2018 would be also applicable to all the grants which have been granted in the past under this scheme;

**RESOLVED FURTHER THAT** the Board and/or the Nomination and Remuneration Committee, be and is hereby authorised to do all such acts as it may in its absolute discretion deem necessary to bring the Scheme into effect including incur expenses in relation thereto to give effect to the above resolutions Mr. Dodla Sunil Reddy, Managing Director, Mr. Dodla Sesha Reddy , Director and Mr. Surya Prakash Mungelkar, Company Secretary of the Company be and are hereby jointly and severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, Telangana at Hyderabad to effectively implement this resolution;

**RESOLVED FURTHER THAT**, a copy of the above resolution, certified to be true by any Director or the Company Secretary, be forwarded to concerned authorities for necessary actions.”

**10. To Approval of Fee payable for copies of inspection documents**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the shareholder;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution.

**By Order of the Board of Directors  
For Dodla Dairy Limited**

**Surya Prakash Mungelkar  
Company Secretary and Compliance Officer  
M. No. A31877**

**Place: Hyderabad  
Date: 16 May 2022**

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item No. 4 to 10 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 16 May 2022 considered that the special business under Item No. 4 to 10, being considered unavoidable, be transacted at the 27th AGM of the Company.

2. In view of the continuing COVID-19 pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs (“MCA”) vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021 and 5 May 2022 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 has permitted the holding of the Annual General Meeting (“AGM”) through Video Conference/Other Audio Visual Means, without the physical presence of the Members at a common venue.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, the 27<sup>th</sup> Annual general Meeting of the company is being conducted through Video Conference (“VC”)/ Other Audio-Visual Means (“OAVM”) herein after called as “e-AGM”.

e-AGM: Company has appointed KFin Technologies Limited (KFintech), the Registrars and Transfer Agents, to provide Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

3. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable provisions of the Companies Act, 2013 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM are also annexed to this Notice.

4. Pursuant to the provisions of the circulars on the VC/OAVM(e-AGM):

a. Members can attend the meeting through login credentials provided to them to connect to Video Conference (VC)/Other Audio-Visual Means

(OAVM) Physical attendance of the Members at the Meeting venue is not required.

b. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.

5. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC/OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

6. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

7. The attendance of the Members (member’s logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

8. The Register of Members and Share Transfer Books of the Company will remain closed from 23 June 2022 to 30 June 2022 (both days inclusive).

9. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants (“DP”) since the shares are held by them in electronic Form.

10. In compliance with MCA Circular No. 20/2020 dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021 and 5 May 2022 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 owing to the difficulties involved in dispatching of physical copies of the financial statements including Board’s Report, Auditor’s report or other documents required to be attached therewith (together referred to as the Annual Report), the Annual Report for Financial year ended 31 March 2022 and Notice of the AGM are being sent in electronic mode to the Members whose e-mail address is registered with the Company or the Depository Participant(s).

Notice calling the e-AGM and Annual Report has been uploaded on the website of the Company at <https://www.dodladairy.com>. The Notice can also be accessed from the websites of the Stock Exchanges

i.e. BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively. The Notice and Annual Report is also available on the website of e-voting agency KFin Technologies Limited at the website address <https://evoting.kfintech.com>.

11. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, there are no unclaimed dividend amounts pending for transfer.

#### **INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE e-AGM THROUGH VIDEO CONFERENCE / OTHER AUDIO VISUAL MODE:**

- i. Attending the e-AGM: Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
- ii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- iii. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Facility of joining the AGM through VC / OAVM shall be open 15 minutes before the time scheduled for the AGM.
- vi. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.

#### **vii. Submission of Questions / queries prior to e-AGM:**

Members desiring any additional information with regard to Accounts/ Annual Reports or has any

question or query are requested to write to the Company Secretary on the Company's investor email-id i.e. [cs@dodladairy.com](mailto:cs@dodladairy.com) at least 2 days before the date of the e-AGM, so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date.

Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com/> and click on the tab "Post Your Queries Here" to post their queries/ views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

- viii. Speaker Registration before e-AGM: Shareholder who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> the shareholders are requested to get registered on or before 27 June 2022, 5.00 P.M. (IST).
- ix. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- x. Members who need technical assistance before or during the AGM, can contact <https://emeetings.kfintech.com>
- xi. Corporate members intending to send their authorised representatives to attend the Annual General Meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company.

#### **INSTRUCTIONS FOR E-VOTING:**

In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting

system to members holding shares as on 24 June 2022 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.

In case of any queries related to e-voting may send mail to einward.ris@kfintech.com or evoting@kfintech.com contact KFintech at Tel No. 18003094001 (toll free).

The procedure and instructions for e-voting are as follows:

**Step 1:**

Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:**

Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Details on Step 1 are mentioned below:**

Login method for remote e-Voting for Individual shareholders holding securities in demat mode:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li><b>1. User already registered for IDeAS facility:</b> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> </li> <li><b>2. User not registered for IDeAS e-Services</b> <ol style="list-style-type: none"> <li>I. To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Select “Register Online for IDeAS” or or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in point no.1</li> </ol> </li> <li><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi/Easiest</b></p> <p>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e., Kfintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https:// web.cdslindia.com/myeasi/Registration/ EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e., Kfintech where the e-Voting is in progress.</p>

Type of Shareholders	Login Method
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of Kfintech for casting your vote during the remote e-Voting period without any further authentication.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login Type	Helpdesk Details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

## Details on Step 2 are mentioned below:

Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: [https:// emeetings.kfintech.com/](https://emeetings.kfintech.com/)
- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Dodla Dairy Limited– Annual General Meeting' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not

indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorising its representative on its behalf to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [srinadati@gmail.com](mailto:srinadati@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name and Event No."

## INSTRUCTIONS FOR MEMBERS FOR VOTING DURING THE E-AGM SESSION:

- 1 The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.
- 2 E-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
- 3 Members / shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM.
- 4 Members who have voted through Remote e-Voting will be eligible to attend the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.

## GENERAL INFORMATION:

1. The Company's equity shares are Listed on 28 June 2021 at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001, Maharashtra, India; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai – 400051, Maharashtra, India and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2021-2022.
2. Members are requested to send all communication relating to shares to the Company's Registrar and Share Transfer Agent at KFIN Technologies Limited (Unit: Dodla Dairy Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Telangana State, India.
3. Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 and the rules made thereunder and Register of Contracts maintained under Section 189 of Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.
4. As required under Listing Regulations and Secretarial Standard - 2 on General Meetings details in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting, is separately annexed hereto. Directors seeking appointment/ re-appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.

## GENERAL INSTRUCTIONS

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice, may cast their votes through e-voting.
- (ii) Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps from Sl. No. (1) to (11) under

heading 'INSTRUCTIONS FOR E-VOTING' above to vote through e-voting platform.

- (iii) The e-voting period commences from 9.00 A.M. (IST) on 27 June 2022 to 5.00 P.M. (IST) on 29 June 2022. During this period, the members of the Company, holding shares in demat, as on the cut-off date of 24 June 2022 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (iv) The Company has appointed M/s. MNM & Associates, Company Secretaries represented by Mrs. Sridevi Madati, Practising Company Secretary (Membership No.F6476 and CP No. 11694) as the Scrutiniser to conduct the voting process (e-voting and poll) in a fair and transparent manner.
- (v) The Scrutinizer shall, within two working days from the conclusion of the Annual General Meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/ abstained, shall submit the Report to the Chairman of the Company.
- (vi) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 27<sup>th</sup> Annual General Meeting of the Company scheduled to be held on 30 June 2022, the results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.dodladairy.com](http://www.dodladairy.com) within two working days of conclusion of the Annual General Meeting.

**By Order of the Board of Directors  
For Dodla Dairy Limited**

**Surya Prakash Mungelkar  
Company Secretary and Compliance Officer  
M. No. A31877**

**Place: Hyderabad  
Date: 16 May 2022**

## **Explanatory Statement pursuant to Sections 102 of the Companies Act, 2013**

### **Item No.4: Re-appointment of Mr. Ambavaram Madhusudhana Reddy (DIN: 08126380) as Whole-time Director of the Company**

The Board of Directors, at its meeting held on 3 May 2018, had appointed Mr. Ambavaram Madhusudhana Reddy as the Whole-time Director (WTD) for a period of five years with effect from 3 May 2018 to 30 April 2023.

Subsequently, at the Annual General Meeting of the Company held on 17 July 2018, the Members had approved the appointment and terms of remuneration of Mr. Ambavaram Madhusudhana Reddy of the Company.

The Board of Directors, at its meeting held on 16 May 2022, based on the recommendation of Nomination and Remuneration Committee has re-appointed Mr. Ambavaram Madhusudhana Reddy, as WTD of the Company for a further period of five years, with effect from 1 May 2023 to 30 April 2028, subject to the approval of the Members.

#### **Brief profile of Mr. Ambavaram Madhusudhana Reddy is as follows:**

Mr. Ambavaram Madhusudhana Reddy holds a bachelor's degree in law from Sri Venkateswara University and a master's degree in business administration from Dr. B.R. Ambedkar Open University. He holds an executive programme in HR analytics from IIM Lucknow. He also has a post graduate diploma in human resource management from Pondicherry University, a post graduate diploma in business and administrative management from the Andhra Pradesh Productivity Council and a PG diploma in journalism from DNF College of Journalism. He is a state committee member of Employers federation of southern India (EFSI) for the state of Telangana and Andhra Pradesh. He is a life member of NHRD Hyderabad chapter. He is enrolled as an advocate on the rolls of the bar council of the State of Andhra Pradesh. He has practiced as an advocate at Kadapa district court for a period of 3 years. He has previously worked with Imperial Granites Limited and has 16 years of experience in the dairy industry. He heads the Human resources, legal and compliances since Oct-2006 at Dodla.

The Members are requested to consider re-appointment of Mr. Ambavaram Madhusudhana Reddy as WTD for a term of 5 years with effect from 1 May 2023 to 30 April 2028.

#### **The main terms and conditions of appointment of Mr. Ambavaram Madhusudhana Reddy (hereinafter referred to as "WTD") are given below:**

**Period of Appointment:** The reappointment as WTD is for a period of five years with effect from 1 May 2023 to 30 April 2028.

**Basic Salary:** Not exceeding ₹ 2.5 Lakhs per month

The annual increments which will be effective 1<sup>st</sup> April each year, will be decided by the Board based on the recommendations of the Nomination, Remuneration and Compensation Committee (hereinafter called the "NRC") and will be performance-based, take into account the Company's performance as well, within the said maximum amount.

**Contribution to Provident Fund:** 12% of Basic Salary

#### **Benefits, Perquisites & Allowances:**

In addition to the salary and Contribution to Provident Fund the appointee shall also be entitled to perquisites and allowances like Accommodation (furnished or unfurnished) or House Rent Allowance together with reimbursement of expenses and Leave Travel concession for himself and his family, Medical and Personal Accident insurance premium, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed by the Board of Directors and the appointee, however these perquisites and allowances will be subject to a limit of 2.5 lakhs /- per month.

The Whole Time Director shall be entitled to be reimbursed in respect of all expenses incurred by him for and on behalf of the Company.

Encashment of earned leaves as per the Companies HR Policy

**Gratuity:** In accordance with the Rules of the Company

**Minimum Remuneration:** Notwithstanding anything herein above stated, where in any financial year during the currency of the tenure of Mr. Ambavaram Madhusudhana Reddy, the Company incurs a loss or its profits are inadequate, the Company subject to the approval of Central Government, if any, if so required, shall pay the same remuneration as stated above but subject to being within the overall limits on Managerial Remuneration as provided under Section 197 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, and the rules framed there under read with Schedule V to the said Act. The Board of Directors shall communicate any revision in the terms of remuneration to Mr. Ambavaram Madhusudhana Reddy for his acceptance. The Contract of service of Mr. Ambavaram Madhusudhana Reddy is terminable with a notice period of 90 days on either side.

He is not liable to retire by rotation.

No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Ambavaram Madhusudhana Reddy, to whom the resolution

relates, are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice

The Board of Directors recommends the resolution at Item No. 4 for approval of the Members by way of a Special Resolution.

**Item No.5: Re-appointment of Mr. Rampraveen Swaminathan (DIN: 01300682) as an Independent Director of the Company**

Mr. Rampraveen Swaminathan (DIN: 01300682) was appointed as an Independent Director of the Company under the provisions of the Companies Act, 2013, vide resolution passed at Board Meeting held on 13 July 2018 and by the Members at the 23<sup>rd</sup> Annual General Meeting held on 17 July 2018. As per the said resolution, the term of appointment of Mr. Rampraveen Swaminathan (DIN: 01300682) was up to 12 July 2023.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Compensation Committee, the Board of Directors of the Company passed a resolution at their meeting held on 16 May 2022 approving re-appointment of Mr. Rampraveen Swaminathan (DIN: 01300682) as an Independent Director for a second term from 13 July 2023 to 12 July 2028, based on his skills, experience, knowledge and positive outcome of performance evaluation.

In line with the Company's remuneration policy for Independent Directors, Mr. Rampraveen Swaminathan (DIN: 01300682) will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, reimbursement of expenses for participation in the Board meetings and General Meetings. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's report.

The Company has received a declaration from Mr. Rampraveen Swaminathan (DIN: 01300682) confirming that he meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received consent from Mr. Rampraveen Swaminathan (DIN: 01300682) to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In terms of Section 160 of the Companies Act, 2013, the Company

has received a notice in writing from a Member proposing the candidature of Mr. Rampraveen Swaminathan (DIN: 01300682) to be re-appointed as an Independent Director.

In the opinion of the Board of Directors, Mr. Rampraveen Swaminathan (DIN: 01300682) fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for his re-appointment as an Independent Director of the Company and is independent of the Management.

The draft letter of appointment of Mr. Rampraveen Swaminathan (DIN: 01300682) setting out the terms and conditions of appointment shall be available for inspection by the Members electronically. Members seeking to inspect the same can send an email to [cs@dodladairy.com](mailto:cs@dodladairy.com).

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Rampraveen Swaminathan (DIN: 01300682), to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice

The Board of Directors recommends the resolution at Item No. 5 for approval of the Members by way of a Special Resolution.

**Brief profile of Mr. Rampraveen Swaminathan (DIN: 01300682), Independent Director of the Company, is given below:**

Mr. Rampraveen Swaminathan has two decades of global business leadership experience spanning automotive, Energy and Paper sectors. He started his career with Tata group and his other stints include positions with Cummins Inc., International Paper Co. and Schneider Electric. He was Chairman & Managing Director of International Paper APPM Limited, a listed company. His areas of expertise include strategy and planning, business management, international operations, and operations transformation, etc

He is also a Managing Director & CEO on the Board of Mahindra Logistics Limited.

Mr. Rampraveen Swaminathan is a partner in SVP India, a strategic philanthropic organisation. He is also on the Advisory Board of WWF – India.

He holds MBA degree in Finance and Strategy from TA Pai Management Institute, India and Bachelors' degree in Commerce from the University of Bangalore. He is an alumnus of Harvard's Executive Strategy Program (2007)

**Item No.6: Re-appointment of Mr. Tallam Puranam Raman (DIN: 00320782) as an Independent Director of the Company**

Mr. Tallam Puranam Raman (DIN: 00320782) was appointed as an Independent Director of the Company under the provisions of the Companies Act, 2013, vide resolution passed at Board Meeting held on 13 July 2018 and by the

Members at the 23<sup>rd</sup> Annual General Meeting held on 17 July 2018. As per the said resolution, the term of appointment of Mr. Tallam Puranam Raman (DIN: 00320782) was up to 12 July 2023.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Compensation Committee, the Board of Directors of the Company passed a resolution at their meeting held on 16 May 2022 approving re-appointment of Mr. Tallam Puranam Raman (DIN: 00320782) as an Independent Director for a second term from 13 July 2023 to 12 July 2028, based on his skills, experience, knowledge and positive outcome of performance evaluation.

In line with the Company's remuneration policy for Independent Directors, Mr. Tallam Puranam Raman (DIN: 00320782) will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, reimbursement of expenses for participation in the Board meetings and General Meetings. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's report.

The Company has received a declaration from Mr. Tallam Puranam Raman (DIN: 00320782) confirming that he meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received consent from Mr. Tallam Puranam Raman (DIN: 00320782) to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Mr. Tallam Puranam Raman (DIN: 00320782) to be re-appointed as an Independent Director.

In the opinion of the Board of Directors, Mr. Tallam Puranam Raman (DIN: 00320782) fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder, for his re-appointment as an Independent Director of the Company and is independent of the Management.

The draft letter of appointment of Mr. Tallam Puranam Raman (DIN: 00320782) setting out the terms and conditions of appointment shall be available for inspection by the Members electronically. Members seeking to inspect the same can send an email to [cs@dodladairy.com](mailto:cs@dodladairy.com).

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Tallam Puranam Raman (DIN: 00320782), to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice

The Board of Directors recommends the resolution at Item No. 6 for approval of the Members by way of a Special Resolution.

**Brief profile of Mr. Tallam Puranam Raman (DIN: 00320782), Independent Director of the Company, is given below:**

Mr. Tallam Puranam Raman became a director of the Company in July 2018. Mr. Tallam Puranam Raman has Started his career with the State Bank of India in 1964 as a Covenanted Officer and the key assignments held were:

- a) Regional Manager---1979-1982.
- b) Chief Officer HRD—Central Office---1982-1988.
- c) Deputy General Manager—Coimbatore Zone---1988-1992.
- d) General Manager Operations—New Delhi H.O—1992-1995.
- e) General Manager SBI Capital Markets Ltd—1995-1996.

He was the managing director and chief executive officer of Sundaram Asset Management Company Limited for over 15 years. He retired from Sundaram Asset Management Company in 2012."

**Item No. 7:Continuation of directorship of Mr. Tallam Puranam Raman (DIN: 00320782), Director and ratification in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a Nonexecutive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Tallam Puranam Raman (DIN: 00320782), has already attained the age of eighty (80) years , pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the shareholders has approved his continuation of directorship on 3 February ,2021, however Company got listed on 28 June 2021 and as part of good Corporate Governance practice the Board proposed this item for ratification from shareholders post Listing and hence pursuant to Regulation 17(1A) of the Listing Regulations, the shareholders are requested to accord approval and ratify for the continuation of the Directorship

of Mr. Tallam Puranam Raman (DIN: 00320782) as Non-Executive Independent Director.

**A brief justification for their continuation as Non-Executive Independent Directors on the Board of the Company as under:**

Mr. Tallam Puranam Raman hold a bachelor's degree and a master's degree in commerce from Osmania University. He has Started his career with the State Bank of India in 1964 as a Covenanted Officer and the key assignments held were:

- a) Regional Manager---1979-1982.
- b) Chief Officer HRD—Central Office---1982-1988.
- c) Deputy General Manager—Coimbatore Zone---1988-1992.
- d) General Manager Operations—New Delhi H.O—1992-1995.
- e) General Manager SBI Capital Markets Ltd—1995-1996.

He was the managing director and chief executive officer of Sundaram Asset Management Company Limited for over 15 years. He retired from Sundaram Asset Management Company in 2012.

The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the continuation of Mr. Tallam Puranam Raman as "Independent Directors" of the Company, considering their rich experience, expertise and valuable contribution made to the Board of Directors of the Company. Their presence on the Board adds more value and gives confidence to the Board in its decisions.

The Non-Executive Independent Director fulfil all conditions specified by applicable laws for the position of an Independent Director of the Company. The Company has also received necessary declarations from them that they meet the criteria of independence as prescribed under the Act and Listing Regulations, presently applicable. Further, they have also confirmed that they are not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013. A brief resume of the said Directors, the nature of their expertise in specific functional areas, names of the companies in which they are holding Directorships, Committee Memberships / Chairmanships, their shareholding etc. are separately annexed in terms of Regulation 36(3) of the Listing Regulations.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Tallam Puranam Raman (DIN: 00320782), to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice

The Board of Directors recommends the resolution at Item No. 7 for approval of the Members by way of a Special Resolution.

**Item No. 8: Continuation of directorship of Mr. Dodla Sesha Reddy (DIN: 00520448), Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a Non-executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Dodla Sesha Reddy (DIN: 00520448) is a Non-Executive Director of the Company liable to retire by rotation. Mr. Dodla Sesha Reddy has been a Director of the Company since 15/05/1995, Members of the company had approved as per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to continue the directorship on 3 February 2021 before listing. Mr. Dodla Sesha Reddy has attained the age of 80 years, the members are requested to approve and ratify the continuation of the Directorship of Mr. Dodla Sesha Reddy (DIN: 00520448) as Non-Executive Non-Independent Director of the Company.

A brief justification for their continuation as Non-Executive Non-Independent Director on the Board of the Company as under:

Mr. Dodla Sesha Reddy (DIN: 00520448) has been associated with our Company for more than 23 years and has dairy industry experience of more than 23 years. He is responsible for ensuring active engagement of board members and effective decision-making process to be followed in our board and committee meetings.

The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the continuation of Mr. Dodla Sesha Reddy (DIN: 00520448) as Non-Executive Non-Independent Director of the Company, considering their rich experience, expertise and valuable contribution made to the Board of Directors of the Company. Their presence on the Board adds more value and gives confidence to the Board in its decisions.

A brief resume of the said Directors, the nature of their expertise in specific functional areas, names of the companies in which they are holding Directorships, Committee Memberships / Chairmanships, their shareholding etc. are separately annexed in terms of Regulation 36(3) of the Listing Regulations.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Dodla

Sesha Reddy (DIN: 00520448), to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 8 of the Notice

The Board of Directors recommends the resolution at Item No. 8 for approval of the Members by way of a Special Resolution.

**Item No. 9 : Ratification of Dodla Dairy Limited- Employee Stock Option Plan, 2018 (“ESOP 2018” or “Plan”)**

The Dodla Dairy Limited- Employee Stock Option Plan, 2018 was approved by the shareholders of the Company in their Extra-Ordinary General Meeting held on 23 March 2018 and amended by the shareholders of the Company in their Annual General Meeting held on 17 July 2018, prior to Initial Public Offering (IPO) of Shares of the Company, Pursuant to provisions of Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 and Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 and any other applicable regulations , any ESOP before listing to be ratified post listing from the members of the Company for the Board to issue and allot at any time to or to the benefit of such person(s) who is in permanent employment of the Company and as per the Dodla Dairy Limited- Employee Stock Option Plan, 2018 (“ESOP 2018” or “Plan”) and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the Applicable laws or guidelines issued by the relevant Authority and to amend the ESOP 2018

The Company approved vesting of KRA based, and time-based Options of 8,35,074 to Venkat Krishna Reddy Busireddy, CEO of the company as follows:

Sl. No	Particulars	Details
a.	options granted	8,35,074
b.	options vested	8,35,074
c.	options exercised	NIL
d.	the total number of shares arising as a result of exercise of option	NIL
e.	options lapsed	Nil
f.	the exercise price	213.3929
g.	variation of terms of options	NIL
h.	money realized by exercise of options	NIL
i.	employee wise details of options granted:	

(i) Key Managerial Personnel:

Sr. no.	Name of the employee	Employee code	No. of options
1	Venkat Krishna Reddy Busireddy	0002	8,35,074

(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year – Nil

(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant – Nil

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Venkat Krishna Reddy Busireddy, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 9 of the Notice

The Board of Directors recommends the resolution at Item No. 9 for approval of the Members by way of a Special Resolution.

**Item No. 10: Approval of Fee payable for copies of inspection documents**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

The Board of Directors recommends the resolution at Item No. 10 for approval of the Members by way of a Special Resolution.

**By Order of the Board of Directors  
For Dodla Dairy Limited**

**Surya Prakash Mungelkar  
Company Secretary and Compliance Officer  
M. No. A31877**

**Place: Hyderabad**

**Date: 16 May 2022**

## ANNEXURE TO THE NOTICE DATED 16 MAY 2022

### Details of Directors seeking appointment/re-appointment at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

<b>Particulars</b>	<b>Name of the Director</b>
	<b>Dodla Sunil Reddy</b>
DIN	00794889
Date of birth and Age	22-02-1968 and Age: 54 years
Qualification	Bachelor's degree in engineering from Mangalore University
Experience	He has been associated with our Company since incorporation and have more than 25 years of experience in the dairy industry. He is responsible for setting up our business strategy with a focus on accountability, competitive performance and value creation.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Mr. Dodla Sessa Reddy Director and Charman
Nature of appointment (appointment / re-appointment)	Retires by rotation and offers himself for re-appointment
Terms and Conditions of appointment / re-appointment	Appointment as Managing Director
Remuneration last drawn by such Person, if applicable and remuneration sought to be paid	Remuneration paid ₹ 38.85 million
Date of first appointment on the Board	15-05-1995
Shareholding in the company	Holds 78,52,434 Equity Shares
The number of Meetings of the Board attended during the year	9 out of 9
Directorship Details of the Board	Global Vetmed Concepts India Pvt. Ltd. Dodla Enterprises Private Limited Dodla Trusteeship Services Pvt. Ltd. Simply Fresh Private Limited Orgafeed Private Limited The Federation of Telangana Chambers of Commerce and Industry <b>Companies Situated Outside India</b> Dodla Holdings Pte. Limited Lakeside Dairy Limited Dodla Dairy Kenya Limited
Membership/ Chairmanship of Committees of other Boards	<b>Nil</b>

<b>Particulars</b>	<b>Name of the Director</b>
	<b>Madhusudhana Reddy Ambavaram</b>
DIN	08126380
Date of birth and Age	10-12-1968 and Age: 53 Years
Qualification	Bachelor's degree in law from Sri Venkateswara University and a master's degree in business administration from Dr. B.R. Ambedkar Open University. He holds an executive programme in HR analytics from IIM Lucknow. He also has a post graduate diploma in human resource management from Pondicherry University, a post graduate diploma in business and administrative management from the Andhra Pradesh Productivity Council and a PG diploma in journalism from DNF College of Journalism.
Experience	He has previously worked with Imperial Granites Limited and has 16 years of experience in the dairy industry. He has practiced as an advocate at Kadapa district court for a period of 3 years.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Nature of appointment (appointment / re-appointment)	Re-appointment
Terms and Conditions of appointment / re-appointment	Reappointment as Whole Time Director of the company for a period of 5 years
Remuneration last drawn by such Person, if applicable and remuneration sought to be paid	Remuneration paid for the FY ₹ 3.35 million
Date of first appointment on the Board	03-05-2018
Shareholding in the company	Nil
The number of Meetings of the Board attended during the year	9 out of 9
Directorship Details of the Board	Nil
Membership/ Chairmanship of Committees of other Boards	<b>Nil</b>

<b>Particulars</b>	<b>Name of the Director</b>
	<b>Rampraveen Swaminathan</b>
DIN	01300682
Date of birth and Age	30-06-1974 and Age: 47 Years
Qualification	Bachelor's degree in commerce from St. Joseph's College of Commerce and a post graduate diploma in management from the T.A. Pai Management Institute.
Experience	He has two decades of global business leadership experience spanning automotive, Energy and Paper sectors. He started his career with Tata group and his other stints include positions with Cummins Inc., International Paper Co. and Schneider Electric. He was Chairman & Managing Director of International Paper APPM Limited, a listed company
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None

Particulars	Name of the Director
	Rampraveen Swaminathan
Nature of appointment (appointment / re-appointment)	Re-appointment
Terms and Conditions of appointment / re-appointment	Reappointment as Independent Director of the company for a period of 5 years not be liable to retire by rotation
Remuneration last drawn by such Person, if applicable and remuneration sought to be paid	Sitting Fees paid ₹ 1.2 million
Date of first appointment on the Board	13-07-2018
Shareholding in the company	Nil
The number of Meetings of the Board attended during the year	9 out of 9
Directorship Details of the Board	Mahindra Logistics Limited V-Link Automotive Services Privatelimited Lords Freight (India) Private Limited V-Link Fleet Solutions Private Limited Meru Travel Solutions Private Limited Meru Mobility Tech Private Limited
Membership/ Chairmanship of Committees of other Boards	<b>MAHINDRA LOGISTICS LIMITED:</b> Risk Management Committee – Member Corporate Social Responsibility Committee - Member

Particulars	Name of the Director
	Raman Tallam Puranam
DIN	00320782
Date of birth and Age	23-03-1942 and Age: 80 Years
Qualification	Bachelor's degree and a master's degree in commerce from Osmania University
Experience	He has 30 years of experience in Banking and finance sector. He has worked with SBI Capital Markets Limited and was the managing director and chief executive officer of Sundaram Asset Management Company Limited for over 15 years.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Nature of appointment (appointment / re-appointment)	Re-appointment
Terms and Conditions of appointment / re-appointment	Reappointment as Independent Director of the company for a period of 5 years not be liable to retire by rotation
Remuneration last drawn by such Person, if applicable and remuneration sought to be paid	Sitting Fees paid ₹ 0.6 million
Date of first appointment on the Board	13-07-2018
Shareholding in the company	Nil
The number of Meetings of the Board attended during the year	9 out of 9
Directorship Details of the Board	Nil
Membership/ Chairmanship of Committees of other Boards	<b>Nil</b>

Particulars	Name of the Director
	Dodla Sesha Reddy
DIN	00520448
Date of birth and Age	10/12/1941 and Age: 80
Experience	He has been associated with our Company for more than 23 years and has dairy industry experience of more than 23 years. He is responsible for ensuring active engagement of board members and effective decision-making process to be followed in our board and committee meetings.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Father of Mr. Dodla Sunil Reddy Managing Director
Nature of appointment (appointment / re-appointment)	Retires by rotation and offers himself for re-appointment
Terms and Conditions of appointment / re-appointment	Appointment as a Non-Executive Director subject to retirement by rotation
Remuneration last drawn by such Person, if applicable and remuneration sought to be paid	Nil Consolation fees paid - ₹ 3.9 million
Date of first appointment on the Board	15/05/1995
Shareholding in the company	Holds 5,56,716 Equity Shares
The number of Meetings of the Board attended during the year	9 out of 9
Directorship Details of the Board	Nelcast Limited Dodla Enterprises Private Limited
Membership/ Chairmanship of Committees of other Boards	<b>NELCAST LIMITED:</b> <b>Chairman:</b> Stakeholders Relationship Committee <b>Member:</b> Audit Committee Nomination and remuneration committee Corporate Social Responsibility Committee

**By Order of the Board of Directors  
For Dodla Dairy Limited**

**Date: 16 May 2022**  
**Place: Hyderabad**

**Surya Prakash Mungelkar**  
**Company Secretary and Compliance Officer**  
**M. No. A31877**

# DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the 27<sup>th</sup> Annual Report on the business and operations of the Company for the Financial Year ended 31 March 2022.

## FINANCIAL HIGHLIGHTS

(Amount (₹) in million)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Total Income	22,570.54	19,503.74	21,290.10	18,446.92
EBITDA	2,107.28	2,424.67	1,861.65	2,168.93
Finance Cost	65.18	118.92	64.93	118.53
Depreciation, Amortisation, Impairment	523.53	507.27	488.57	473.5
Profit Before Tax	1,655.60	1,862.16	1,633.41	1,654.78
Current Tax	434.61	515.25	385.81	503.02
Deferred Tax charge	(107.14)	87.21	(118.57)	67.82
Interim Dividend Paid (₹ /Share)	0	0	0	0
Paid up Equity Share Capital	594.93	583.25	594.93	583.25
Basic Earnings per Equity Share (in ₹)	22.43	22.48	23.07	19.34
Reserves	7,836.68	5,996.45	7,278.96	5,459.27

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On consolidated basis, the revenue from operations for FY 2022 was ₹ 22,433.51 Million, higher by 15.40% over the previous year's revenue of ₹ 19,440.06 Million. The profit after tax (PAT) attributable to shareholders for FY 2022 and FY 2021 was ₹ 1,328.13 Million and ₹ 1,259.70 Million, respectively.

On a standalone basis, the revenue from operations for FY 2022 was ₹ 20,964.84 Million, higher by 14.13% over the previous year's revenue of ₹ 18,369.04 Million in FY 2021. The profit after tax (PAT) attributable to shareholders for FY 2022 and FY 2021 was ₹ 1,366.17 Million and ₹ 1,083.94 Million, respectively.

There was no change in nature of business of the Company. There were no significant or material orders passed by regulators, courts or tribunals impacting the Company's operations in future.

There was no change in nature of business of the Company. There were no significant or material orders passed by regulators, courts or tribunals impacting the Company's operations in future.

## TRANSFER TO RESERVES

During the year the Company has transferred an amount of ₹ Nil (31 March 2021 – ₹ 34.61 Million) to Debenture Redemption Reserves out of amount available for appropriations as required U/s 71 of the Companies Act, 2013 read with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014

## COVID IMPACT ON THE DAIRY INDUSTRY IN FY22

In FY2021 as well as in some part of FY2022, the Indian Dairy sector experienced supply setback as well as demand uncertainties owing to restrictive measures imposed for the control of COVID-19 pandemic. In the dairy supply chain, availability of feed and fodder declined due to halting of travel and transport services. Due to increase in cost of milk procurement and simultaneous fall in milk prices (due to the mismatch between demand and supply of milk

led to a decline in milk prices), thus directly affecting the dairy industry across the nation. Major challenge for the dairy processors was posed by the fall in demand which declined steeply, particularly for the value-added products such as Curd, Ice Cream, Paneer etc. The impact was felt in the household market as well as in the HoReCa segment. Even after the restaurants started opening post lockdown, the footfalls remained subdued during the first and second quarter of FY22. Travel and tourism, a major trigger for consumption of dairy products, was also adversely impacted during the second wave.

In the organised sector, 65% to 70% of the total processed milk is sold as liquid milk which is immediately sold after packing and only 30% is processed into other dairy products (VAP) like ghee, butter, cheese, curd, ice-cream, milk powder etc. Yet, value addition and production of these VAP having comparatively longer shelf life than liquid milk, emerged as a popular strategy for disposal of surplus milk during lockdown.

For the whole year, the industry is estimated to have grown by around 10%.

However, during and post pandemic, the increased consumer awareness on hygiene and nutrition did help the organised dairy industry to remain buoyant and ensure long term growth.

#### **COVID IMPACT ON THE COMPANY IN FY21 & FY22**

FY 2021 saw a dip in the company's revenue, mainly due to the impact of the Covid-19 pandemic. Total Income went down by around 9% from ₹ 21,456 million to ₹ 19,504 million. Institutional sales were dampened due to lower demand from confectionary and hotel segments. However, due to the decrease in the raw material cost coupled with our cost control initiatives, profit after tax for the year had increased to ₹ 1,260 million from ₹ 499 million in FY2020. Almost all of our financial ratios improved as compared to the previous year, with a surge in the collection of our receivables, reduction in long term debt and improved net margins. EBITDA margins increased from 6.6% in FY20 to 12.5% in FY21.

Second wave of the pandemic during FY2022 did impact company's out-of-home consumption revenue, but the company could build on its experience from the past COVID-19 waves and responded to the situation in terms of supply chain distribution. Stepping into FY22, the company could come back to the growth trajectory from the first quarter itself, with the revenue growing 12.45% year on year. In the following quarters, the impact of Covid diminished and the revenue inched towards the pre covid levels.

#### **DIVIDEND**

Keeping in view the future expansion plans, your Board of Directors do not recommend any dividend for Financial Year 2021-2022.

The Dividend Distribution Policy is available on the Company's website at <https://www.dodladairy.com>

#### **UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder there is no unclaimed / unpaid amounts or shares were transferred to the Investor Education and Protection Fund (IEPF).

#### **INITIAL PUBLIC OFFER (IPO) OF EQUITY SHARES**

The Equity Shares of your Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) with effect from 28 June 2021, pursuant to Initial Public Offering ("IPO") of the Company by way of a Fresh Issue and an Offer for Sale.

Your Directors are pleased to inform that, your Company completed the IPO of its equity shares of 12,153,668 equity shares\* of face value of ₹ 10 each ("equity shares") of Dodla Dairy Limited ("company") for cash at a price of ₹ 428 per equity share (including a share premium of ₹ 418 per equity share) (the "offer price") aggregating up to ₹ 5,201.77 million ("offer"). The offer comprises a fresh issue of 1,168,224 equity shares aggregating up to ₹ 500 million and an offer for sale of 10,985,444 equity shares aggregating up to ₹ 4,701.77 million ("offer for sale").

The Main Objects of the IPO are Repayment and/ or pre-payment, in full or part, of certain borrowings availed by our Company from ICICI Bank Limited, the Hongkong and Shanghai Banking Corporation Limited and HDFC Bank Limited, Funding incremental capital expenditure requirements of our Company and General corporate purposes.

Pursuant to listing of equity shares on the stock exchanges, your Company enjoys the benefit of enhanced brand equity and creation of public market for the equity shares of the Company.

Post the issue, 62.54% of the Equity Share Capital of your Company is held by the Promoter and Promoter Group.

#### **LISTING OF EQUITY SHARES**

The Company's equity shares are listed on the following Stock Exchanges from 28 June 2021:

- (i) BSE Limited (Scrip Code: 543306), Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai-400 001, Maharashtra, India; and

(ii) National Stock Exchange of India Limited (Scrip Code: DODLA), Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India.

The Company has paid the Annual Listing Fees to the said Stock Exchanges as required.

### UTILISATION OF IPO PROCEEDS

The Company has fully utilized the fresh issue of IPO proceeds to fulfil the repayment and/ or pre-payment, in full or part, of certain borrowings availed by our Company from ICICI Bank Limited, the Hongkong and Shanghai Banking Corporation Limited and HDFC Bank Limited, Funding incremental capital expenditure requirements of our Company and General corporate purposes.

There has been no deviation in the utilization of the IPO proceeds of the Company.

Further, the details of Utilisation of Net IPO Proceeds for the year ended 31 March 2022 has been provided in notes to the Accounts of the Financials of the Company.

### SHARE CAPITAL

Pursuant to the Initial Public Offering, the Company has allotted 1,168,224 Equity shares of ₹ 10/- each on 23 June 2021.

The Paid-up Share Capital of the Company as on 31 March 2022 is ₹ 594,927,350 and 59,492,735 Equity Shares of ₹ 10 each fully paid up.

### SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has 4 subsidiaries (i.e., Dodla Holdings Pte. Limited, Lakeside Dairy Limited, Dodla Dairy Kenya Limited and Orgafeed Private Limited) and 1 associate company (i.e., Global Vetmed Concepts India Private Limited) as on 31 March 2022. There are no joint venture companies. There has been no material change in the nature of the business of the subsidiaries and associates.

The Subsidiary Companies situated in India and Outside India continue to contribute to the overall growth in revenues and overall performance of the Company.

Pursuant to the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the Financial Statements of the Subsidiary Companies/ Associate Companies/Joint Ventures in Form AOC-1 is appended to this Report as **Annexure – I**.

The detailed policy for determining material subsidiaries as approved by the Board is uploaded on the Company's

website and can be accessed at the Web-link: <https://www.dodladairy.com>

### PERFORMANCE AND CONTRIBUTION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the Financial Year ended 31 March 2022 is appended to this Report as **Annexure – II**.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements for the Financial Year ended 31 March 2022 forms part of the Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate Audited accounts of its Subsidiaries on its website [www.dodladairy.com](http://www.dodladairy.com) and a copy of separate Audited Financial Statements of its Subsidiaries will be provided to shareholders upon their request.

### DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the Financial Year 2021-22, no company ceased to be subsidiary and associates of the company and your company does not have any joint ventures

### KEY MANAGERIAL PERSONNEL (KMP)

#### Following are the KMPs of the Company in terms of Sec 203 of the Act

Dodla Sunil Reddy	:	Managing Director (MD)
B V Krishna Reddy	:	Chief Executive Officer (CEO)
Ambavaram Madhusudan Reddy	:	Whole time Director (WTD)
Anjaneyulu Ganji	:	Chief Financial Officer (CFO)
*Ruchita Malpani	:	Company Secretary & Compliance officer (CS & CO)
*Surya Prakash Mungelkar	:	Company Secretary & Compliance officer (CS & CO)

\* Surya Prakash Mungelkar was appointed as the Company Secretary & Compliance officer and KMP of the company w.e.f. 22 October 2021 in place of Ruchita Malpani who has resigned from the position of Company Secretary & Compliance officer and KMP w.e.f. 31 August 2021.

## DIRECTORS

During the year under review, there is change in Composition of the Board as stated below:

### COMPOSITION OF THE BOARD

Dodla Sesha Reddy	: Chairman
Dodla Sunil Reddy	: Managing Director
A Madhusudhana Reddy	: Whole Time Director
Akshay Tanna	: Nominee Director
Dr. Raja Rathinam	: Independent Director
Rampraveen Swaminathan	: Independent Director
Tallam Puranam Raman	: Independent Director
*Ponnavolu Divya	: Independent Director
# Vinoda Kailas	: Independent Director

\*Ponnavolu Divya has resigned from the office of Independent Director of the company w.e.f 31 December 2021.

# Vinoda Kailas was appointed as additional director in the category of Non-executive Independent Woman Director w.e.f 20 January 2022. Subsequently through Postal Ballot by remote e-voting process proposing the appointment of Vinoda Kailas as Independent Woman Director of the Company. The resolution was passed by way of postal ballot by remote evoting process on 12 March 2022.

Dodla Sunil Reddy retires by rotation and being eligible, offers himself for re- appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of Company has recommended reappointment of Mr. Ambavaram Madhusudhana Reddy (DIN: 08126380), as “Whole-time Director” of the company for a term of 5 years commencing from 01 May 2023 to 30 April 2028 , Mr. Rampraveen Swaminathan (DIN: 01300682) and Mr. Tallam Puranam Raman (DIN: 00320782) as a Non-Executive Independent Directors of the Company for a consecutive term of five years from 13 July 2023 to 12 July 2028 to the members for their approval by way of a special resolution at the 27<sup>th</sup> AGM. A resolution seeking shareholders’ approval for his re-appointment along with other required details forms part of the Notice.

### During the year under review:

Ponnavolu Divya has resigned from the office of Independent Director of the company w.e.f 31 December 2021.

Vinoda Kailas was appointed as additional director in the category of Non-executive Independent Woman Director w.e.f 20 January 2022. Subsequently through Postal Ballot by remote e-voting process proposing the appointment of Vinoda Kailas as Independent Woman Director of the Company. The resolution was passed by way of postal ballot by remote evoting process on 12 March 2022.

None of the directors of the company are disqualified under the provisions of the Companies Act 2013.

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, the Board met 9 (Nine) times i.e., on 20 April 2021, 09 June 2021, 21 June 2021, 23 June 2021, 14 July 2021,07 August 2021,22 October 2021,20 January 2022 and 07 March 2022.

Details of the attendance of the Directors at the Board meetings held during the year ended 31 March 2022 are as follows:

Name of the Director	Number of Board Meetings	
	Held	Attended
Dodla Sesha Reddy	9	9
Dodla Sunil Reddy	9	9
A Madhusudhana Reddy	9	9
Akshay Tanna	9	9
Rampraveen Swaminathan	9	9
Tallam Puranam Raman	9	9
Dr.Raja Rathinam	9	9
Ponnavolu Divya (Up to 31 December 2021)	7	5
Vinoda Kailas (w.e.f 20 January 2022)	2	2

## DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2022 and Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31 March 2022 on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149

The Independent Directors have submitted declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

## COMPOSITION OF THE COMMITTEES AND ITS MEETINGS

### Audit Committee

The Audit Committee comprises of following Directors:

Name of the Director	Position	Designation on Board
Tallam Puranam Raman	Chairman	Independent Director
Rampraveen Swaminathan	Member	Independent Director
Dr. Raja Rathinam	Member	Independent Director
Dodla Sunil Reddy	Member	Managing Director

During the period, the Audit Committee met 6 (Six) times on 19 April 2021, 14 July 2021, 07 August 2021, 22 October 2021, 20 January 2022 and 07 March 2022.

Details of the attendance of the Audit Committee held during the year ended 31 March 2022 are as follows:

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
Tallam Puranam Raman	6	6
Rampraveen Swaminathan	6	4
Dr. Raja Rathinam	6	6
Dodla Sunil Reddy	6	6

## Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation Committee comprises of the following Directors:

Name of the Director	Position	Designation
Rampraveen Swaminathan	Chairman	Independent Director
Raman Tallam Puranam	Member	Independent Director
Dodla Sesa Reddy	Member	Non Executive Non-Independent Director
Akshay Tanna (Up to 24 December 2021)	Member	Nominee Director

During the period the Nomination, Remuneration and Compensation Committee met 3 (Three) times on 05 May 2021, 22 October 2021 and 20 January 2022.

Details of the attendance of the Nomination, Remuneration and Compensation Committee held during the year ended 31 March 2022 are as follows:

Name of the Director	Number of Nomination, Remuneration and Compensation Committee Meetings	
	Held	Attended
Rampraveen Swaminathan	3	2
Raman Tallam Puranam	3	3
Dodla Sesa Reddy	3	3
Akshay Tanna (Up to 24 December 2021)	2	2

## Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of following Directors:

Name of the Director	Position on the Committee	Designation
Raman Tallam Puranam	Chairman	Independent Director
Dodla Sunil Reddy	Member	Managing Director
Akshay Tanna	Member	Nominee Director

During the period the Stakeholders Relationship Committee met 1 (One) time on 20 January 2022.

Details of the attendance of the Stakeholders Relationship Committee held during the year ended 31 March 2022 are as follows:

Name of the Director	Stakeholders Relationship Committee Meetings	
	Held	Attended
Raman Tallam Puranam	1	1
Dodla Sunil Reddy	1	1
Akshay Tanna	1	1

## Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee comprises of the following Directors:

Name of the Director	Position on the Committee	Designation
Dodla Sesa Reddy	Chairman	Non-Executive Non-Independent Director
Akshay Tanna	Member	Nominee Director
Ponnavolu Divya (Up to 31 December 2021)	Member	Independent Director
Vinoda Kailas (w.e.f 20 January 2022)	Member	Independent Director

During the period Corporate Social Responsibility (CSR) Committee met 2 (Two) time i.e., on 19 April 2021 and 14 July 2021. Details of the attendance of the Corporate Social Responsibility (CSR) Committee held during the year ended 31 March 2022 are as follows

Name of the Director	Number of Corporate Social Responsibility (CSR) Committee Meetings	
	Held	Attended
Dodla Sesha Reddy	2	2
Akshay Tanna	2	2
Ponnavolu Divya (Up to 31 December 2021)	2	1
Vinoda Kailas (w.e.f 20 January 2022)	NA	NA

### IPO Committee

The IPO Committee consists of the following Directors:

Name of the Director	Position on the Committee	Designation
Rampraveen Swaminathan	Chairman	Independent Director
Akshay Tanna	Member	Nominee Director
Dodla Sunil Reddy	Member	Managing Director

During the period IPO Committee met 5 (Five) time i.e., on 27 April 2021, 04 May 2021, 10 June 2021, 15 June 2021 and 23 June 2021.

### Risk Management Committee

The Risk Management Committee consists of the following Directors:

Name of the Director	Position on the Committee	Designation
Dr. Raja Rathinam	Chairman	Independent Director
Akshay Tanna	Member	Nominee Director
Madhusudhana Reddy Ambavaram	Member	Whole-time Director

Note: The Risk Management Committee was constituted on 07 March 2022 by the Board of Directors of the Company.

The Brief description of the terms of reference of Audit, Nomination, Remuneration and Compensation, Stakeholder's relationship committee is part of Corporate governance report forming part of this report

### MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 07 March 2022, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a

whole.

### BOARD PROCESSES, PROCEDURES AND PRACTICES

The company believes that the effectiveness of the board is reinforced by its structures and the processes and procedures it follows. It has in place robust practices and processes that contribute to the effective and efficient performance of the board. Board systems and procedures broadly comprise convening the meetings, contents of the agenda, conducting the meetings, decision making at the meetings, adequacy of minutes and working of board committees.

Decisions relating to the policy and operations of the company are arrived at meetings of the board held periodically. Meetings of the board enable discussions on matters placed before them and facilitate decision making based on collective judgment of the board. The company

follows the best practices in convening and conducting meetings of the board and its committees. These include:

### **Frequency of meetings**

A minimum of four board meetings is held each year with the time gap between any two successive meetings not exceeding 120 days. Meetings of the committees are also planned and scheduled to be held along with the board meetings.

### **Board agenda**

It strikes a fine balance between the reviews of the past performance and forward-looking issues. The agenda is structured such that routine and administrative matters do not consume too much board time. The agenda is made available to the directors along with supporting documents sufficiently in advance of the meetings.

### **Decision making process**

The board follows a culture of openness and debate by facilitating effective contribution of all directors and ensuring constructive relations among the directors. Constructive discussions are facilitated leading to effective decision making. The chairman ensures that adequate time is available for discussion of all agenda items in particular strategic issues.

### **Availability of information to the board**

The board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. Under the advice and direction of the chairman, the company secretary's responsibility includes ensuring good information flows within the board as well as between senior management and non-executive directors.

The following information, inter alia, is provided to the directors of the company:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company
- Minutes of meetings of audit committee and other committees of the board
- General notices of interest received from directors.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
  - Any material default in financial obligations to and by the company

- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company
- Non-compliance of any regulatory, statutory duty
- Legal compliance reports and details of payment of statutory dues

### **Role of the Chairman**

The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role. The role includes:

- Making certain that an effective decision-making process is in place in the board, and that the board's committees are properly structured with appropriate terms of reference
- Encouraging the active engagement of all board members in board and committee meetings, drawing fully on their skills, experience, knowledge and, where appropriate, independence;
- Building effective relationships founded on mutual respect and open communication - both inside and outside the boardroom - between the non-executive directors and executive team, in particular with regard to the identification and oversight of significant risks.

### **Role of Managing Director**

The Managing Director (MD) lives and upholds the highest standards of integrity and probity inside and outside the boardroom, through setting clear expectations in terms of culture and values, as well as in terms of the style and tone of board discussions. The MD encourages directors to express their views frankly and challenge constructively in order to improve the standard of discussion in the boardroom. The MD appreciates that constructive challenge from non-executive directors is an essential aspect of good governance and encourage the non-executive colleagues to probe proposals, especially when issues of judgement are concerned. The role includes:

- Setting a board agenda which is primarily focused on business, strategy, accountability, competitive performance and value creation;
- ensuring that issues relevant to this objective are reserved for board consideration, including determining the nature and extent of the significant risks the board is willing to embrace in the implementation of its strategy;

- developing, in particular, a productive working relationship with the CEO, providing support and advice while respecting executive responsibility;
- consulting the senior independent director on board matters consistent with regulations;
- ensuring effective processes are established relating to succession planning and the composition of the board, having regard to the benefits of diversity;
- allowing time for debate and challenge, especially for complex, contentious or business-critical issues;
- achieving timely closure on decisions taken; and
- providing clarity for executives on the actions required.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution, and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination, Remuneration and Compensation Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Board and the Nomination, Remuneration and Compensation Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination, Remuneration and Compensation Committee, the performance of the Board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

## FAMILIARIZATION PROGRAMMES

The Members of the Board of the Company have been provided opportunities to familiarize themselves with the Company, its Management, and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations, and the industry in which it operates.

## Role of CEO

The CEO is vested with operational responsibility for delivering the company's strategy. The CEO's relationship with the chair and MD is the key dynamic that underpins the effectiveness of the board. The CEO, with the support of the executive team, has primary responsibility for communicating to the people working within the business the expectations of the board in relation to the company's culture, values and behaviours.

He has the most intimate knowledge of the company and its capabilities. This is evidenced when making proposals and exercising judgement, particularly on matters of strategy.

## Role of Company Secretary in overall governance process

The company secretary has a key role to play in facilitating the effective functioning of the board through the timely presentation of board information which - by being accurate, clear and comprehensive - assists high-quality decision making.

Under the direction of the Chairman and MD, the company secretary's responsibilities include ensuring accurate information flows within the board and its committees, between senior management and non-executive directors, as well as facilitating induction and assisting with professional development. All directors have access to the advice and services of the company secretary who is responsible to the Board for ensuring that Board procedures are complied with. In addition, the Company Secretary discharges the functions prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Besides, the company secretary acts as secretary of the Board and its committees thereof.

## Decision making at the board

Effective and good decision-making at the board is facilitated by:

- ensuring that directors are afforded adequate time to prepare for meetings;

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Senior management personnel of the Company presents to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

The Statutory Auditors and Internal Auditors of the Company presents to the Board of Directors on Financial Statements and Internal Controls including presentation on regulatory changes from time to time.

The detail policy on the familiarisation programme is available on the website at [www.dodladairy.com](http://www.dodladairy.com)

#### CODE OF CONDUCT:

The Company has laid down a which has been effectively adopted by the Board Members and Senior Management Code of Conduct Personnel of the Company.

The detail policy on the Code of Conduct is available on the website at [www.dodladairy.com](http://www.dodladairy.com)

#### EMPLOYEES STOCK OPTION PLAN

During the year 2018-19, your Company adopted an Employees Stock Option Plan named as “Dodla Dairy Limited Employees Stock Option Plan 2018” (“ESOP Scheme”).

The options to acquire shares by way of ESOP plan shall be granted to the eligible employees who are in the permanent employment of the Company working in India or outside including directors of the Company whether whole time or not (excluding independent directors).

As per the ESOP plan 2018 dated 23 March 2018 and as amended by 1<sup>st</sup> Amendment to ESOP 2018, the aggregate number of Options which may be issued by the Company under ESOP Plan is 13,91,800 options and as per the revised grant letter dated 19 July 2018 issued by the Company under ESOP Plan is 8,35,074 options each option shall entitle the option holder to One Equity Share in the Company.

During the year 2020-21 and until the date of this report, the Company approved vesting of KRA based, and time based Options of 8,35,074 to BVK Reddy, CEO of the Company.

#### As per Rule 12 of the “Companies (Share Capital and Debenture) Rules, 2014” and SEBI regulations the declaration is as follows:

Sl. No	Particulars	Details
a.	options granted	835,074
b.	options vested	835,074
c.	options exercised	NIL
d.	the total number of shares arising as a result of exercise of option	NIL
e.	options lapsed	Nil
f.	the exercise price	213.3929
g.	variation of terms of options	NIL
h.	money realized by exercise of options	NIL
i.	employee wise details of options granted:	

(i) Key Managerial Personnel:

Sr. no.	Name of the employee	Employee code	No. of options
1	Venkat Krishna Reddy Busireddy	0002	835,074

(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year – Nil

(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant – Nil

## **PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS UNDER SECTION 186**

There are no Loans, Guarantees, Investments and Security made during the Financial Year ended 31 March 2022 as per the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, or other designated persons which may have a potential conflict with the interest of the Company at large. All the related party transactions are approved by the Audit Committee and Board of Directors.

The Company has adopted a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended 31 March 2022 in prescribed Form AOC-2 is appended to this Report as **Annexure – III**.

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is [www.dodladairy.com](http://www.dodladairy.com)

## **STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Board's Report as **Annexure – IV**.

## **ANNUAL RETURN**

Annual Return in Form MGT-7 is available on the Company's website, the web link for the same is <https://www.dodladairy.com>

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is appended to this Report as **Annexure – V** in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

A detail policy is available on the website of the Company at the weblink: [www.dodladairy.com](http://www.dodladairy.com)

## **THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 (ACT) READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 is appended to this Report as **Annexure – VI**.

## **DEPOSITS**

The Company has not accepted any deposits from the public in terms of Chapter V of the Companies Act, 2013. Hence, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## **MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013**

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company.

## **DISCLOSURE ABOUT COST AUDIT**

During the financial year under review, your Company has not crossed the threshold limits prescribed for appointment of Cost Auditor as per provisions of Section 148 of the Companies Act, 2013 and rules made thereunder.

## **AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS**

### **Statutory Auditors**

The Company's Statutory Auditors, BSR & Associates LLP, Chartered Accountants (ICAI Regn. No. 116231W/W-100024), were appointed as the Statutory Auditors of the Company for a period of 3 years at the 24<sup>th</sup> Annual General Meeting of the Company, i.e., up to the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company.

Accordingly, BSR & Associates LLP, Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of Annual General Meeting to be held in 2022. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, or adverse remark.

### **Secretarial Auditors Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, M/s. MNM & Associates, Practising Company Secretaries had been appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the FY 2021-22. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as Annexure- VII.

### **Internal Auditors**

The Board of Directors of the Company has appointed M/s. BDO India LLP as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31 March 2022.

### **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Directors or Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### **VIGIL MECHANISM (WHISTLE BLOWER POLICY)**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy.

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website.

The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All employees of the Company are covered under the Whistle Blower Policy.

The brief detail about this mechanism may be accessed on the Company's website at the weblink: <https://www.dodladairy.com>

### **RISK MANAGEMENT POLICY**

The Company has adopted the development and implementation of risk management policy and analysis. The brief detail about this policy may be accessed on the Company's website at the weblink:

<https://www.dodladairy.com>

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the Financial Year under review the Company has received no complaints of sexual harassment at workplace. The brief detail about this policy may be accessed on the Company's website at the weblink: <https://www.dodladairy.com>

### **NOMINATION, REMUNERATION AND COMPENSATION POLICY**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

The said policy of the Company is available on the Company's website at: [www.dodladairy.com](http://www.dodladairy.com)

### **STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is part of this Report.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

### **PREVENTION OF INSIDER TRADING CODE**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Surya Prakash M, Company Secretary as Compliance Officer from 22 October 2022, who is responsible for setting forth

procedures and implementing of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Management's Discussion and Analysis as Annexure – VIII.

### **BUSINESS RESPONSIBILITY REPORT**

The 'Business Responsibility Report' (BRR) of your Company for the year ended 31 March 2022 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Annexure – IX .

### **CORPORATE GOVERNANCE**

The Company has a rich legacy of ethical governance practices and committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value.

A Report on Corporate Governance along with a Certificate from the Secretarial Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report as **Annexure – X**

### **THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There have been no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

During the year under review, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

### **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended 31 March 2022 to which the Financial Statements relates and the date of signing of this report.

### **INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY**

#### **RBI Guidelines:**

The Company being not accepting deposits, will not fall under the category of NBFC to comply with all the requirements prescribed by the Reserve Bank of India, from time to time as applicable to it.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has laid down internal financial control's, through a combination of Entity level controls, Process level controls and IT General controls inter-alia to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/ information, safeguarding of assets, prevention and detection of frauds and errors. The evaluations of these internal financial controls were done through the internal audit process and were also reviewed by the Statutory Auditors. Based on their view of these reported evaluations, the directors confirm that, for the preparation of financial statements for the financial year ended 31 March 2022, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively & that no significant deficiencies were noticed.

### **INTERNAL AUDIT & CONTROL SYSTEMS**

Your Company has a well-defined and documented internal control system, which is adequately monitored. Checks & balances and control systems have been established to ensure that assets are safe guarded, utilized with proper authorization and recorded in the books of account. The Internal control systems are improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

These are supplemented by internal audit of your Company carried out by reputed firms of Chartered Accountants across India. Your Company has an Audit Committee consisting of Four Directors in which one is Executive and three are Non-executive independent Directors. The Audit Committee of the Board of Directors are periodically apprised of the internal audit findings and corrective actions taken. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements if any for strengthening them. Your Company has a robust Management Information System which is an integral part of the control mechanism.

## INSURANCE

All properties and insurable interests of the Company have been fully insured.

## CREDIT RATING

Given below are the ratings given to the Company by ICRA Limited during the Financial Year ended 31 March 2022:

Facilities	Rating	Status
Long Term Scale on Bank limits	[ICRA]AA- (Stable)	Upgraded from [ICRA]A+ (Positive) to [ICRA]AA- (Stable)
Short-Term Scale on Bank limits	[ICRA]A1+	Reaffirmed
Cash Credit / Short term Loan on Bank limits	[ICRA]AA- (Stable) / [ICRA]A1+	-
Instrument Rated (NCD)	[ICRA]AA- (Stable)	Upgraded from [ICRA]A+ (Positive) to [ICRA]AA- (Stable)

## QUALITY

The company has established stringent quality control measures right from the milk collection level at a village to the consumers at the urban level. The various screening measures include, screening for various adulterants such as sugar, salt, urea, vegetable oil, detergents maltodextrin etc. More than 95 % of raw milk being procure directly from farmers. Recently we started checking Standard platelet Count (SPC), across all the Chilling Centers and plants, Which has contributed for improvement of raw milk quality. All our plants are certified either FSSC 22000 V 5.1 or ISO 22000:2018. We have deployed advanced FT machines at our major processing plants to check incoming raw milk quality and finished products quality. We are continuously driving awareness programs on clean milk production to our farmers and vendors. We use the most advance and updated various technology for maintaining highest standard of quality. Since inception quality has been our top priority and we are committed to it.

## BRANDING

As a brand, Dodla is committed to being a world-class dairy company that provides consumers with the highest quality of products and services. At Dodla Dairy, Commitment, Sincerity, Hard Work, Transparency, Integrity and Honesty are the cornerstones of our work and we hope to display these values in all aspects of our work. While we have an extensive range of dairy products that include Milk, curd, Paneer, Ghee, Butter, Flavored Milk and ice cream, we are constantly striving to increase our range of products and diversify our portfolio of products. No matter the product, our offerings focus on providing a healthier life for all our consumers while still giving them a taste they can fall in love with! Dodla's mission is to supply high quality and safe milk and milk products consistently through a continual improvement of our systems and practices.

## AWARDS AND RECOGNITIONS

During the Financial year 2021-2022, the Company has received "**EMERGING COMPANY OF THE YEAR**" award from **SOUTH INDIA BUSINESS LEADER OF THE YEAR**.

The Company received "**ACHIEVER HR BEST Practices -2021**" in the category of best in HR Technology/ Analytics in large scale from Federation of Telangana Chambers of Commerce and industry (FTCCI).

## INVESTOR RELATIONSHIP

Your Company continuously strives for excellence in its Investor Relationship (IR) engagement with Domestic and International investors and has set up feedback mechanism to measure IR effectiveness. Structured conference calls and periodic investor/analyst interactions, participation in investor conferences, quarterly earnings calls and annual analyst meet with the Executive Director were organised during the year. Your Company always believes in leading from the front with emerging best practices in IR and building a relationship of mutual understanding with investor/ analysts. Your Company ensures that relevant information about the Company is available to all the investors by uploading all such information at the Company's website and the stock exchanges where the shares of the company listed.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company believes that employee motivation is the key to its success and is committed to providing necessary environment enabling them to contribute continuously. Also , Human resource development has been taken up as prime agenda and number of leadership development initiatives have been rolled out during the FY 2021-22 to ensure the people preparedness to handle the uncertainty during Covid and ambitious growth plans. We were

continuously in touch with our employees through online/Video conferences across various locations of organisation during the covid pandemic and ensure that everybody delivers commitment and taken care of employee/food safety without any compromise. Many of the HR activities has been digitalized to enable employees to get all services on their fingertips. We have conducted many employee engagement programs and activities , which improved the cross functional team work.

With regard to industrial relations, we have initiated a employee grievances cell at all our plants and encouraged employees to submit their challenges and issues in writing. This has enabled the employees to push their perspectives to the management during the initial stage of discontent. Also enable the management to understand and address employee concerns on priority.

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to express their sincere gratitude to the Government of India, Government of Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, and other States, Registrar of Companies - Telangana, farmers, Distributors, lenders including bankers and most importantly consumers for support, your Company has been privileged to receive.

Your directors thank the shareholders for the confidence reposed in the Company and for their continued support and co-operation. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

### **On behalf of the Board of Directors For Dodla Dairy Limited**

**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

**Dodla Sesha Reddy**  
Director  
DIN: 00520448

Place: Hyderabad  
Date: 16 May 2022

Note: Except as otherwise stated, all the numbers in the Director's Report are on standalone basis

# ANNEXURE- I

## FORM AOC-1

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

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

#### Part "A": Subsidiaries

Sl. No.	Particulars	Details			
		US \$	US\$ in '000	In Kshs.	₹ In '000
1.	Name of the subsidiary	Dodla Holdings Pte. Limited (WOS)	Lakeside Dairy Limited (SDS)	Dodla Dairy Kenya Limited (SDS)	Orgafeed Private Limited
2.	The date since when subsidiary was acquired	20-06-2014	15-07-2014	24-05-2017	28-08-2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April 2021 to 31 March 2022			
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD = 75.900480 ₹	US\$ = 0.02117 ₹	Ksh = 0.659782 ₹	₹
5.	Share capital	6,500,000	2,000,000	2,500,000	30,000
6.	Reserves & surplus	589,901	22,927,365	4,516,048	5,871.11
7.	Total Assets	7,667,585	34,304,676	66,186,363	241,763.65
8.	Total Liabilities	577,684	9,377,311	59,170,315	205,892.54
9.	Investments	1,401,336	0	0	0
10.	Turnover	0	64,314,644	1,116,627,513	419,860.85
11.	Profit before taxation	4,000,834	7,252,639	16,279,916	29,277.28
12.	Provision for taxation	(1,234,508)	2,228,215	(4,696,833)	(7,353.41)
13.	Profit /(Loss) after taxation	2,766,326	9,480,854	11,583,083	21,923.87
14.	Proposed Dividend	0	0	0	0
15.	Extent of shareholding (in percentage)	100%	0%	0%	100%
16.	Type of Subsidiary	Wholly Owned Subsidiary	Step Down Subsidiary	Step Down Subsidiary	Wholly Owned Subsidiary

1. Names of subsidiaries which are yet to commence operations: Nil

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

## Part “B”: Associates and Joint Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No	Name of associates/Joint Ventures	Global Vetmed Concepts India Private Limited (GVC)
1	Latest audited Balance Sheet Date	31 March 2022
2	Date on which the Associate or Joint Venture was associated or acquired	31.03.2016
3	Shares held by the company on the year end	
	No of Shares	3,866,923
	Amount of Investment in Associates/Joint Venture	38,669,230
	Extend of Holding %	47.88%
4	Description of how there is significant influence	Dodla Sunil Reddy, the Managing Director of the Company is a Director on Board of GVC and the Company holds 47.88% equity stake in the Company
5	Reason why the associate/joint venture is not consolidated	Investment in GVC is accounted under equity method as per IndAS 28 Investments in Associates
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	(21,793,826/-)
7	Profit/(Loss) for the year	708,829/-
i.	Considered in Consolidation	NA
ii.	Not Considered in Consolidation	Yes

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

#### On behalf of the Board of Directors For Dodla Dairy Limited

**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

**Dodla Sesha Reddy**  
Director  
DIN: 00520448

Place: Hyderabad  
Date: 16 May 2022

# ANNEXURE- II

## PART- A- SUBSIDIARIES

Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Tax Expense/ (Benefit)	Profit/ (Loss) after Taxation	Other Comprehensive Income / (Loss)	Total Comprehensive Income / (Loss)	Proposed Dividend	% of share holding	Contribution to the overall performance of the Company
Dodla Holdings Pte. Limited	20-06-2014	31-03-2022	USD = 75.900480 ₹	6,500,000	589,901	7,089,901	577,684	1,401,336	0	4,000,834	-1,234,508	2,766,326	0	2,766,326	0	100	14.94
Lakeside Dairy Limited	15-07-2014	31-03-2022	US\$ = 0.02117 ₹	2,000,000	22,927,365	34,304,676	9,377,311	0	64,314,644	7,252,639	2,226,215	9,480,854	0	9,480,854	0	0	14.1
Dodla Dairy Kenya Limited	24-05-2017	31-03-2022	Ksh = 0.659782 ₹	2,500,000	4,516,048	66,186,363	59,170,315	0	1,116,627,513	16,279,916	-4,696,833	11,583,083	0	11,583,083	0	0	0.56
Orgafeed Private Limited	28-08-2019	31-03-2022	₹ In Thousands	30,000	5,871.11	241,763.65	205,892.54	0	419,860.85	29,277.28	7,353.41	21,923.87	0	21,923.87	0	100	1.59

## PART B- ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Date on which the Associate or Joint venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate /Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year
			No	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				
Global Vetmed Concepts India Private Limited	31 March 16	31 March 22	3,866,923	38,669,230	47.88%	Based on the percentage of holding over these investees	Dodla Dairy Limited do not have controlling stake at GVC despite being the single largest shareholder. Hence, GVC is an Associate entity of Dodla Dairy Limited and not a subsidiary. For this reason it is not consolidated	21,793,826	708,829
Names of associates or joint ventures which are yet to commence operations:					<b>NIL</b>				
Names of associates or joint ventures which have been liquidated or sold during the year:					<b>NIL</b>				

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

Place: Hyderabad  
Date: 16 May 2022

**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

**Dodla Sesha Reddy**  
Director  
DIN: 00520448

# ANNEXURE - III

## FORM NO. AOC 2

### (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31 March 2022, which were not at arm's length basis.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of contracts or arrangements or transactions at arm's length basis for the year ended 31 March 2022, are as follows:

Name of the Related Party	Nature of Relationship	Salient Terms	Amount in rupees million
Dodla Dairy, Vinjumur	Enterprise over which KMP have significant influence	Lease Rent paid	1.20
Surekha Milk Chilling Centre	Enterprise over which KMP have significant influence	Lease Rent paid	1.00
Hanslot Pile Foundation	Enterprise over which KMP have significant influence	Lease Rent Paid	0.33
Dodla Nutri Feeds LLP	Enterprise over which KMP have significant influence	Rent paid	0
		Sale of raw material	0.13
D Soft India Private Limited	Enterprise over which KMP have significant influence	Software maintenance expenses	0
		Purchase of Raw Material	9.57
Global Vetmed Concept Private Limited ('GVC')	Associate Company	Expenditure incurred on behalf of GVC	3.22
		Expenditure incurred	0.16
Lakeside Dairy Limited	Subsidiary Company	Consultancy Income	1.42
		Expenditure incurred	0.57
Dodla Dairy Kenya Limited	Subsidiary Company	Consultancy Income	0.50
		Consultancy Income	0.06
Dodla Holdings Pte Ltd	Subsidiary Company	Dividend Received	169.12
		Expenditure Incurred	0.01
Orgafeed Private Limited	Subsidiary Company	Interest Income	16.09
		Consultancy Income	0.58
		Lease Rent Received	0.14
		Purchase of goods	417.83
		Sale of asset	Nil

Name of the Related Party	Nature of Relationship	Salient Terms	Amount in rupees million
Dodla Sessa Reddy	Relative of KMP	Consultancy Fees	3.90
Dodla Silpa Reddy	Relative of KMP	Consultancy Fees	0.90
Tropical Bovine Genetics Private Limited	Enterprise over which KMP have significant influence	Purchase of goods	0.99
Dodla Foundation	Enterprise over which KMP have significant influence	Corporate social responsibility	6.4

**Note:**

All the above transactions were approved by the Members of Audit Committee and by the Board of Directors of the Company wherever required.

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

Place: Hyderabad  
Date: 16 May 2022

**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

**Dodla Sessa Reddy**  
Director  
DIN: 00520448

Particulars of loans/advances, etc. pursuant to Para A of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Sr. No.	In the Accounts of	Disclosure of amounts at the year end and the Maximum amount of loans/Advances/Investments outstanding during the year
1	Dodla Dairy Limited	Loans and Advances in the Nature of loans to subsidiary company Orgafeed Private Limited: ₹ <b>170,508,611/-</b> Maximum amount of loans/Advances/Investments outstanding during the year: ₹ <b>187,009,445/-</b> Loans and advances in the nature of loans to associate Company Global Vetmed Concepts India Private Limited: ₹ <b>NIL</b> Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

Place: Hyderabad  
Date: 16 May 2022

**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

**Dodla Sessa Reddy**  
Director  
DIN: 00520448

# ANNEXURE - IV

## STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to the Managing Director and senior executives are reviewed and recommended by the Nomination and Remuneration Committee.

### (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year

S. No	Name of the Director	Designation	Remuneration of Directors, KMP for the Financial year 2021-22* (amount in ₹)	Ratio of the remuneration to the median remuneration of the employees
1.	Dodla Sesha Reddy	Chairman / Director	NIL	NIL
2.	Dodla Sunil Reddy	Managing Director	38,859,697	205.10
3.	Ambavaram Madhusudhana Reddy	Whole Time Director	3,353,171	17.70
4.	Akshay Tanna	Nominee Director	NIL	NIL
5.	Rampraveen Swaminathan	Independent Director	NIL	NIL
6.	Tallam Puranam Raman	Independent Director	NIL	NIL
7.	Dr.Raja Rathinam	Independent Director	NIL	NIL
8.	\$Ponnavolu Divya	Independent Director	NIL	NIL
9.	@Vinoda Kailas	Independent Director	NIL	NIL

\*Remuneration excludes Commission paid to the Directors as a % of Profits

\$ Ponnavolu Divya has resigned as independent director w.e.f 31 December 2021.

@Vinoda Kailas has been appointed as independent director w.e.f 20 January 2022.

**Median remuneration of Employees: 1,89,365/-**

### (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

S. No	Name of the Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager	Designation	Percentage increase in remuneration
1.	Dodla Sesha Reddy	Chairman / Director	NIL
2.	Dodla Sunil Reddy	Managing Director	8.00%
3.	Ambavaram Madhusudhana Reddy	Whole Time Director	8.00%
4.	Akshay Tanna	Nominee Director	NIL
5.	Rampraveen Swaminathan	Independent Director	NIL
6.	Tallam Puranam Raman	Independent Director	NIL

S. No	Name of the Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager	Designation	Percentage increase in remuneration
7.	Dr.Raja Rathinam	Independent Director	<b>NIL</b>
8.	§ Ponnaolu Divya	Independent Director	<b>NIL</b>
9.	*Vinoda Kailas	Independent Director	<b>NIL</b>
10.	Busireddy Venkat Krishna Reddy	Chief Executive Officer	<b>9.00 %</b>
11.	Anjaneyulu Ganji	Chief Financial Officer	<b>NIL</b>
12.	#Ruchita Malpani	Company Secretary and Compliance Officer	<b>NIL</b>
13.	#Surya Prakash Mungelkar	Company Secretary and Compliance Officer	<b>NIL</b>

§ Ponnaolu Divya has resigned as independent director w.e.f 31 December 2021.

\*Vinoda Kailas has been appointed as independent director w.e.f 20 January 2022.

# Surya Prakash Mungelkar was appointed as the Company Secretary & Compliance officer and KMP of the company w.e.f. 22 October 2021 in place of Ruchita Malpani who has resigned from the position of Company Secretary & Compliance officer and KMP w.e.f 31 August 2021.

**(iii) The percentage increase in the median remuneration of employees in the financial year is : (3.50%)**

**(iv) The number of permanent employees on the rolls of Company**

There are 2644 permanent employees on the rolls of the Company as on 31 March 2022.

**(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The Average percentile increase already made in the salaries of employees is: 10.81%

There were no exceptional circumstances for increase in the managerial remuneration The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

**(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

Sd/-  
**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

Sd/-  
**Dodla Sessa Reddy**  
Director  
DIN: 00520448

Place: Hyderabad  
Date: 16 May 2022

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Sr. No	Name and Designation	remuneration received	nature of employment	qualifications and experience of the employee	date of commencement of employment	Age	the last employment held by such employee before joining the company	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
1.	Sunil Reddy Dodla - Managing Director	38,859,697	Regular	Highest Qual: B.E, Experience: 24 years	1-Sep-2005	54 years	Own Business	13.20	Son of Dodla Sesha Reddy
2.	Venkat Krishna Reddy Busireddy - CEO	26,025,116	Regular	Highest Qual: B.Sc, Experience: 35 years	24-Dec-1997	59 years	Amul	1.14	N.A

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

Sd/-  
**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

Sd/-  
**Dodla Sesha Reddy**  
Director  
DIN: 00520448

Place: Hyderabad  
Date: 16 May 2022

# ANNEXURE - V

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company.

The CSR policy speaks about Dodla Dairy's intent to support to the rural community through various developmental programmes, called Dodla CSR policy. This policy shall apply at all major mandals and towns of Andhra Pradesh and Telangana States initially. This may be extended to the other parts of the Country in the near future for the benefit of society at large.

The main objective of Dodla CSR policy is giving back to the rural society which has helped its business growth and sustenance so far. The area of community development includes Malnutrition & Eradicating hunger, Animal health, drinking water, Rural Infrastructure facilities, Rural Education/promoting gender equality among rural mass.

For achieving the CSR objectives through implementation of meaningful and sustainable CSR programmes, Dodla shall allocate not less than 2%

of its average Net Profit calculated as per Sec-198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year. From the annual CSR Budget allocation, a provision will be made towards the expenditure to be incurred on identified Areas, for undertaking CSR activities on a year-on-year basis. Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act 2013 and rules made thereof as amended from time to time.

In case of any query / suggestions with regard to any provision(s) of the policy, a reference can be made to the CSR Committee. In all such matters, the interpretation & decision of the members of CSR committee shall be final. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Central Government, from time to time. The CSR Committee / Board will review the policy from time to time based on changing needs and aspirations the beneficiaries and make suitable modifications, as may be necessary.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dodla Sesha Reddy	Chairman / Director		2
2	Akshay Tanna	Member / Director		2
3	Ponnavolu Divya	Member/ Independent Director (up to 31 December 2021)	2 meetings (19 April 2021 and 14 July 2021)	1
4	Vinoda Kailas	Member/ Independent Director (w.e.f 20 January 2022)		NA

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.dodladairy.com>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	FY 2022	Nil	Nil
2	FY 2021	Nil	Nil
3	FY 2020	Nil	Nil
<b>TOTAL</b>		Nil	Nil

6. Average net profit of the company as per section 135(5):

Financial Year	Amount in ₹
2018-19	789,976,207
2019-20	483,250,000
2020-21	1,672,503,579
Total	2,945,729,785
Average	981,909,928

7. (a) Two percent of average net profit of the company as per section 135(5) : 19,638,199

(a) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

(b) Amount required to be set off for the financial year, if any : Nil

(c) Total CSR obligation for the financial year (7a+7b- 7c) 19,638,199

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
15,955,262	3,682,936	08 April 2022	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District			Name	CSR Registration number.	
1	Rural development projects	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Andhra Pradesh	Nellore		3,059,839	Nil	No	Dodla Foundation CSR00022391
<b>Total</b>							<b>3,059,839</b>			

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project. State. District.	Amount spent for the project (in ₹).	Mode of implementation -Direct (Yes/No)	Mode of implementation – Through implementing agency. Name. Registration number.
1.	Nirmaan Organization for Hospital Equipment's	Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care"] and sanitation 4[including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Karnataka Ballari	8,000,000	No	Nirmaan Organization CSR000000146
2	Noble Educational Women Empowerment society	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana Hyderabad	1,000,050	No	NOBLE EDUCATIONAL EMPOWERMENT SOCIETY CSR00012864
3	Sri Padmavathy Mahila Abyudaya Sangam		Yes	Andhra Pradesh Tirupati	500,000	Yes	-
4	Galaxy Science and Technology Quiz		Yes	Tamil Nādu Chennai	700,000	No	Rotary Club of Chennai Galaxy Charitable Trust CSR000003927
5	Construction of Hostel South Block		Yes	Andhra Pradesh Nellore	3,340,161	No	Dodla Foundation CSR000022391
	TOTAL				13,540,211		

**(d) Amount spent in Administrative Overheads :** Nil

**(e) Amount spent on Impact Assessment, if applicable :** Nil

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e):** 15,955,262

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	19,638,199
(ii)	Total amount spent for the Financial Year	15,955,262
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
			Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	FY 2020	Nil	Nil	Nil	Nil	Nil
2.	FY 2021	1,990,332	Nil	Nil	Nil	Nil
3.	FY 2022	-	Nil	Nil	Nil	3,682,936
TOTAL						3,682,936

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1.	FY31.03.2021_1	Rural development projects	2019-20	19 months	16,000,000	3,059,839	15,696,014	Completed
2.		Construction of Hostel South Block	2020-21	24 months	10,000,000	3,340,161	3,340,161	Ongoing
TOTAL						6,400,000	19,036,175	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NA**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): As per the project approved by the CSR committee to spend funds on infrastructure facility to the hostel students in Mahmuddapuram, Nellore District. Since, there was no request received from the hostel for funds, Company did not provide any fund to the hostel except as stated above.

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

Place: Hyderabad  
Date: 16 May 2022

Sd/-  
**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

Sd/-  
**Dodla Sessa Reddy**  
Director  
DIN: 00520448

# ANNEXURE - VI

**conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014**

## A. CONSERVATION OF ENERGY

### i. Steps Taken or Impact on Conservation of Energy:

Energy conservation dictates how efficiently a company can conduct its operations. The Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has undertaken various energy efficient practices that have reduced the growth in carbon dioxide (CO2) emissions and strengthened the Company's commitment towards becoming an environment friendly organization. The Company has been certified by ISO 50001 for Energy Management System. A dedicated 'Energy Cell' is focusing on energy management and closely monitor energy consumption pattern across all manufacturing sites. Periodic energy audits are conducted to improve energy performance

### ii. Steps taken by the Company for utilizing alternate source of energy:

Solar System installation at Chendhurthi Plant 255.6KW, Kuppam CC 60KW, Nellovy CC 30KW and Palamaneru Plant 60KW, Batlagundu Plant 689KW and Vedasunder Plant 149KW planned and work is in under progress.

### iii. The Capital investment on energy conservation equipment's:

During the financial year 2021-2022, ₹ 24,257 invested for LED lighting installation and ₹ 42.66 lakhs for installation of Evaporative Condensers.

Solar Installation at Chendhurthi 255.6 KW: ₹ 10,471,420/- along with DG Synchronization project which costs ₹ 236,000/-, Kuppam 60KW: ₹ 2,100,000/-, Palamaneru 60KW: ₹ 2,100,000/-, Nellovy 30KW: ₹ 1,020,000/-, Batlagunda 689KW : ₹ 21,359,000/- and Vedasunder 149KW: ₹ 4,395,500/- invested for utilizing alternate source of energy.

## B. TECHNOLOGY ABSORPTION

### (i) the efforts made towards technology absorption;

1. Installation of De-Super heaters at Palamaneru Plant and Kuppam CC done to reduce energy consumption by compressors.
2. Installed LED lights in plants to reduce energy consumption.
3. Upgradation of plant to Automation to improve quality/quantity management system.
4. Upgradation of plants to Automation to lab equipment.

### (ii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- i. Automatic ice cream stick line technology imported from Australia at Gundrampally plant - capacity increase and for quality product.
- ii. UHT Processing and Packing Technology imported from China at Chendurthi Plant - capacity increase, to meet market demand and to reduce the transportation cost.

### (iii) the expenditure incurred on Research and Development.

The Company incurred expenditure on Farming activities along with GVC as stated below:

S. No	Particulars	2021-22	2020-21
1	Capital	1,071,804	125,043
2	Recurring	85,929,519	73,156,550
	<b>Total</b>	<b>87,001,323</b>	<b>73,281,593</b>

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

<b>PARTICULARS</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Foreign Exchange Earnings	170,752,992/-	NIL
Foreign Exchange Outgo	NIL	NIL

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

Place: Hyderabad  
Date: 16 May 2022

**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

**Dodla Sesha Reddy**  
Director  
DIN: 00520448

# ANNEXURE - VII

## Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

To  
The Members

**DODLA DAIRY LIMITED**

8-2-293/82/A/270-Q, Road No 10-C  
Jubilee Hills, Hyderabad- 500033  
Telangana, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DODLA DAIRY LIMITED** (hereinafter called the company) bearing **CIN: L15209TG1995PLC020324**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Dodla Dairy Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31 March 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Dodla Dairy Limited** ("the Company"), for the financial year ended on **31 March 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the

rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the audit period.;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the audit period. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - *Not applicable to the Company during the audit period.*
- (vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:

- (a) Food Safety and Standards Act, 2006 and the Rules and Regulations made thereunder;
- (b) The Prevention of Food Adulteration Act, 1954 and the Rules made thereunder.
- (c) Boilers Act, 1923 and the Rules and Regulations made thereunder;

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

- i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except to the extent as mentioned below:**

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 33 of the SEBI (LODR), 2015.  Company is required to Submit the quarter and year ended results to Stock Exchange Within 60 days from the end of the financial year.	Late submission of Financial Results for the quarter and year ended 31 March 2021.	The Company have been listed on BSE & NSE on 28 June 2021, the due date for submission of results was 30 May 2021 but SEBI has extended due date for submission of results to 30 June 2021. However, the Company has Submitted results on 14 July 2021. BSE and NSE each have levied fine of ₹ 70,000/- Plus GST. The company has replied to BSE and NSE. The Company has subsequently paid the amount of fine levied by Stock Exchanges.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provisions of the Act. Notice is given to all the Directors

electronically to schedule the Board Meetings at least 7 days in advance and agenda and detailed notes on agenda were sent in advance. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

We further report that, during the audit period following are the specific events and actions which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- During FY 2021-22, Company got listed on BSE Limited and National Stock Exchange of India Limited on 28 June 2021. Pursuant to Initial Public offering of its equity shares of 12,153,668 equity shares\* of face value of ₹10 each ("equity shares") of Dodla Dairy Limited ("company") for cash at a price of ₹428 per equity share (including a share premium of ₹418 per equity share) (the "offer price") aggregating up to ₹5,201.77 million ("offer"). The offer comprises a fresh issue of 1,168,224 equity shares aggregating up to ₹500 million and an offer for sale of 10,985,444 equity shares aggregating up to ₹4,701.77 million ("offer for sale"). Company has complied with all the requirements under Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Company has also complied with all requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and listing agreements signed with BSE Limited and National Stock Exchange of India Limited.

For **MNM & Associates**  
Company Secretaries  
Firm Registration No. P2017TL059600

**Sridevi Madati**  
**Partner**

M.No.F6476  
COP 11694

**Place: Hyderabad**  
**Date: 16 May 2022**

**UDIN: F006476D000329304**

**NOTE:** This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

## **Annexure A**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MNM & Associates**  
Company Secretaries  
Firm Registration No. P2017TL059600

**Sridevi Madati**  
**Partner**

M.No.F6476  
COP 11694

**UDIN: F006476D000329304**

**Place: Hyderabad**  
**Date: 16 May 2022**

# ANNEXURE- VIII

## MANAGEMENT DISCUSSION AND ANALYSIS

### THE WORLD ECONOMY

The beginning of the financial year 2021 -22 has been perceived as a year of revival of economic activities, after the combined supply and demand shock lead to a dramatic collapse in trade. However, this worldwide collapse of the entire ecosystem triggered by COVID-19 is now being surpassed by newer threats namely inflationary situations and warring nations. The economic costs of war are expected to be widespread through commodity markets, trade and financial interlinkages. Hence, the global GDP is estimated to stay well below its pre pandemic levels. The current estimate for global GDP is revised from 5.9% to 4.4%.

### INDIAN ECONOMY

The global crisis has undoubtedly translated into clouded economic growth outlook for India as well. India which was already battling inflation since a while has further been pushed into reeling under this external shock. However, India's underlying economic fundamentals are strong, hence inspite of the short-term instability, consequences of long-term outlook will be negligible. Government involvement through policies, incentives and schemes will lead to a multiplier effect on income, resulting in accelerated economic growth. The ongoing geopolitical crisis could have a spill over effect on India, making it a preferred alternative investment destination. The baton of the fastest growing economy could possibly be handed over to India in the near future. Another factor to be considered is the large, vaccinated chunk of population, which might be helpful in combating further waves of the pandemic, if any. India's GDP is expected to grow at 8.2% in 2022 and 7.4% in 2023.

### DAIRY INDUSTRY

The dairy sector in India, a tool of socio-economic development, is divided into the organized and unorganized sector, where almost 75% of the market is formed by the latter. Over the years, the dairy industry is gradually evolving from an unorganized to a relatively organized sector. This fragmented dairy sector in India has a huge untapped potential.

India has the largest bovine population, and is ranked on the top for milk production, contributing 23% of global milk production. The industry is expected to reach USD 355 Bn by 2025, with the share increasing from 23% to 50% in 2025. The milk processing industry alone is expected to grow by 14.8% by 2023.

There is an increase in production and exports of milk and other products, and simultaneously providing an essential means of livelihood to dairy farmers, thereby reducing rural poverty, empowering rural women, providing a regular source of income for rural households, and ensuring food security.

### EXTERNAL DRIVERS

India has risen from acute milk shortages in the 1960s to becoming the world's top producer today. There are a few drivers that, over the years, have helped India climb the ladder.

### STRENGTH SUPPLY SIDE

From the supply side, the strong momentum noticed in the sector is mainly due to the formalisation of perishable milk products and the growth of value-added dairy products (VAPs) like blue cheese, Greek yoghurt, probiotic drinks, etc.

The dominant business model is transitioning from agent-based sourcing to direct milk sourcing, which would result in procurement of superior-quality raw milk consistently.

The pandemic has replaced the conventional brick-and-mortar distribution channel with online retail platforms for the purchase of dairy products.

### STRENGTH DEMAND SIDE

From the demand side, there are numerous influential elements leading to a transformation in the sector.

The most notable factor is the rising urbanisation and higher disposable income that has led to an increase in per capita consumption of milk and milk products.

Demand for dairy products is undergoing a transition from plain milk to flavoured milk.

Post pandemic nutritional requirement changes have led to a change in dietary preference.

Dairy products are a natural and high source of calcium and protein aiding with bone and teeth development in children, driving sales among younger consumers.

Similarly, dairy products are customised for the senior population by fortifying with calcium and vitamins.

New product innovation to meet evolving consumer motivations is also driving consumption across the dairy market for individual taste preferences as well as specific

health-based needs. Innovation in niche categories like yoghurt, cheese, curds, etc. is taking momentum.

There is an increasing demand for more convenient and transportable packaging, requiring longer shelf life of the products.

Quick, convenient, and nutritious dairy food option is the need of the hour keeping in mind hectic lifestyle.

Due to COVID restrictions in 2020, demand from hotels, restaurants and café (HoReCa) segments, that contributed 20% to the organized sector revenue, witnessed a dip, due to which the sales of VAPs had fallen by 3%. However, sale of liquid milk has not been substantially impacted, as it is an essential commodity.

According to ICRA, demand across the industry is forecast at 9-11% in the financial year 2021-22.

The biggest market for Indian dairy products is UAE.

### **WEAKNESSES:**

Indian dairy sector is characterized by:

- Limited management on dairy enterprise development.
- Traditional feeding practices that are not based on scientific feeding methods.
- Exports are limited because a major portion of the produce is consumed domestically (the majority being liquid milk).
- Most of the small Dairy farmers lack awareness when it comes to using scientific and healthy animal husbandry practices. Lack of knowledge and training the dairy farmers for this purpose.
- Lack of infrastructure for the collection, transportation, and processing of milk.
- Most of the cold storage facilities are either located a few hours away from the dairy farms or lack proper cold storage. The quality of milk deteriorates till the time it reaches the ultimate customer.
- Dairy farmers in many parts of India still do not have steady market linkages and access to technology.
- Financial risk profiles of pure-play ice-cream manufacturers are under pressure.
- The governments in most cases are not providing a level playing field for private sector dairy vis a vis the cooperatives.

### **OPPORTUNITIES**

Cold-chain storage during transportation and the lack of readily available refrigeration across rural India provides immense opportunity for the dairy companies, in terms of providing single-serve options not only in terms of price, but also of product longevity.

In rural areas, the preference still persists for fresh, unpackaged milk and dairy products, which are purchased from local dairies and neighbourhood stores, assuming they are unadulterated and of higher quality, creating an opportunity for marketers to target this large un-tapped potential market with small unit size products at ultra-low prices.

Private label penetration still remains low in India, which calls for the need for mass marketing, especially in rural and semi urban areas.

Tamper-proof packaging is also another technique in communicating the unadulterated quality of goods.

The increasing demand for more westernised cuisine, has increased the demand for dairy products, means that dairy companies must ensure that their products meet differing consumer needs.

By providing robust, easy to transport options, manufacturers can drive growth among a large, working demographic.

The category of dairy desserts products has a major influence on this sector. In this niche market, the companies must concentrate on highlighting the taste and products must be appealing to young consumers seeking novel flavours.

The focus in the current scenario is not just the survival of the sector but to provide an impetus to the growth.

For investment purposes, upstream & downstream supply management and milk processing opportunities could be taken into consideration.

### **INTERNAL DRIVERS**

Dairy is a crucial element in the scientifically researched balanced diet food pyramid. And India is said to be one of the leading producers and consumers of milk and dairy products in the world.

Dodla Dairy has its core built on the solid, long-standing relationship that it has had with its dairy farmers over the years, which in turn has strengthened its procurement model.

Dodla Dairy is characterized by certain features

- Proven track record
- Strong balance sheet and return ratios
- Strong management quality
- Organic growth (tapping into new adjacent areas)
- Inorganic growth (through acquisitions) for strengthening its presence
- Created a strong relationship with farmers by enhancing direct procurement which also enables cost saving and ensures quality. Currently, 90% of the

procurement is directly from farmers, remaining 10% is from the earlier agent-based model, which also will be slowly stopped.

FY2022 was characterized by the onset of the second wave and the dairy business too faced operational and supply chain challenges. But lessons learned over the first lockdown helped maintain business and top-line grew 12.5% year-on-year basis. With the end focus on timely customer deliveries, there was an increase in average milk procurement, which impacted bottom line of the company as well. Dodla prides itself, on its well-integrated supply chain, managerial expertise, large operational presence and a strong branded portfolio, and Dodla strategy and execution excellence will help survive and grow in the coming years.

Geographic expansion of operations and in-road into new markets are visible through growth in the numbers of the facilities and direct and indirect distribution channels.

During the current financial year, the company has no major capital expenditure plans except than rehaul of plants that are being automated. It has built a strong procurement model which has helped create a strong engagement model with the farmer community.

Dodla Dairy has concentrated more on the domestic VAP category.

There has been a continuous emphasis on quality of all the products, with a view to make Dodla a trusted family name across the length and breadth of the country. To aid this, the company has maintained sustained relation with the dairy farmers, and maintained presence in the newly entered state of Maharashtra as well as the unserved areas of opportunity existing in South India. Technology, both in terms of plant infrastructure and supply chain management continues to be focus area for Dodla. Focus on newer technology will be a competitive advantage for Dodla in the long run.

For Dodla Dairy, the majority of its market comes from rural areas and other retail consumers (about 90-95%) while a little variable portion of 1-2% is from the HoReCa segment for curd. Hence, any changes in this channel doesn't impact much on the balance sheet for Dodla dairy.

The company also plans to roll out products for the niche market with extreme cases of VAPs with enhanced protein and reduced sugar, which is an extreme niche market (which is less than 2% of total market value) with a 3-to-5-year opportunity. Dodla claims to be a Category Adapter and not a Category Creator.

Currently, the market share is more in south regions and Karnataka has the maximum market share of around 40%. The company plans to grow in the existing southern

regions and the state of Maharashtra as well, rather than expand in non-southern states, unless there is a sizeable opportunity with returns on a standalone basis.

There are three channels of the distribution network – own direct retail parlors, distributor model and own direct retail agents. Generally, in rural areas or districts, there is the distributor model and in cities or urban areas there is the agent model. The focus is on own direct retail parlours (Dodla Retail Parlor) to expand its footprints to help create a brand visibility in the eyes of the common man. Wherever market penetration is difficult, focus is on retail parlours, whereas if agents are easily available, the agent model is adopted.

The company recently has started procurement from Maharashtra to maintain margins with low raw material prices. Dodla Dairy has achieved a milestone of 1 lakh litre per day of milk procurement from Maharashtra.

In terms of expansion, the company does not focus on newer territories, but build up on existing ones.

There are three modes through which Dodla Dairy has a sustainable victory over its competitors.

- Technology upgradation and follow up through implementation and after installation service
- Timely payments to farmers
- Facilities/services given to farmers like prompt cattle feed or veterinary help

Competitive prices also do play a role, but all peers in the industry operate within the same pricing framework. Also, pricing issue is faced, because of the subsidies lent to the cooperatives.

With respect to international markets, Uganda model proved profitable and there are plans to replicate the same in Kenya.

The company is developing its growth strategy with focus on ESG practices (Environmental, Social and Governance) to attain long term success. ESG practice is the cornerstone of its growth strategy. As a part of this strategy, it has been transitioning many of its plants into solar powered ones and the recently built (last 2-3 years) ones are zero-discharge plants.

A strong commitment towards ESG and having a sustainable business model with a balanced ecosystem are the engines driving Dodla Dairy. Dodla is equipped with a strong execution team, experienced professionals, and a very strong balance sheet and it has paved a road for itself, to become a formidable dairy player in the future.

With gratitude for the past, and wishing for better days ahead, pushing for and creating opportunities is what

Dodla dairy is striving for. Through convergence of public and private initiatives, the dairy sector is all set for a double-digit growth.

## REVIEW OF OPERATIONS

Milk procurement and milk processing are the two major operations of the company. During FY22, we have procured milk at an average rate of 12.5 lakh liters per day (16% growth), while average milk processing rate was 12.2 llpd (12% growth). Our installed capacity of milk processing is 20 llpd, which means we have significant growth potential without further investments in machinery.

Established in 1995, Dodla is an integrated dairy company having facilities across the value chain.

Procurement – we have about 7,800+ village level collection centers to procure milk directly from the farmers located in about 8,000+ villages

Processing – after procuring the milk from farmers, we store the milk in 110 chilling centers and process it at 14 processing plants

Distribution - we sell our packaged milk and value-added products through 563 Dodla Retail Parlours, ~3,000 distribution agents and ~1,800 distributors, all supervised by 41 sales offices

Quality of milk is crucial for our success and to ensure quality, we went for a kind of backward integration through a wholly owned subsidiary, Orgafeed Private Limited, to manufacture and supply cattle feed to the milk producing farmers. During FY22, Orgafeed produced 53.3 tons of cattle feed from its 80 tons per day plant at Kadapa in Andhra Pradesh. Orgafeed is a win-win venture for both the farmers and the company. It is a win for farmers as cattle feed is supplied to them at economic prices and at their doorstep through the company's village level collection centers. It is a win for the company as quality of milk is assured with nutritious feed to the buffalos. Also, the company can adjust the sale proceeds of the cattle feed from the raw milk procurement amount payable to farmers. Further, Orgafeed tied up with veterinary experts to provide medical services for the milch animals.

## REVIEW OF FINANCIAL PERFORMANCE

Our consolidated operating revenue increased to ₹22,433.51 mn in FY22 from ₹19,440.06 mn in FY21, registering a growth of 15% on the back of higher volume and increasing share of value-added products in the overall product mix. Operating revenue has reached pre-Covid level and could have been much better but for the impact of second wave of Covid-19, though the impact was less severe compared to what it was in FY21.

## Product-mix analysis of operating revenue is as follows:

(Rs. in mn)	FY22	FY21	Change
Milk	16,182.1	14,379.4	1,802.7
Value added products like curd, ice cream, flavored milk, lassi, butter milk, yoghurt, etc.	5,253.6	4,323.8	929.8
Revenue from Fat & Fat Products	624.6	541.0	83.6
Revenue from non-Operational	373.5	195.9	177.6
<b>Total operating revenue</b>	<b>22,433.5</b>	<b>19,440.1</b>	<b>2,993.4</b>

Geographical analysis of operating revenue is as follows:

(Rs. in mn)	FY22	FY21	Change
Uganda	724.7	309.7	415.0
Kenya	741.9	758.8	-16.9
Revenue from abroad			
India	20,966.9	18,371.5	2595.4
<b>Total operating revenue</b>	<b>22,433.5</b>	<b>19,440.1</b>	<b>2,993.4</b>

Other income stood at ₹137.03 mn as against previous year's ₹63.68 mn. The increase is mainly on account of on bonds, Debentures and Commercial papers ₹41.1mn and increase in Profit on sale of investments in mutual funds, net from 0.57 mn to 24.52 mn

Cost of raw materials (including changes in stock of finished goods and work-in-progress) at ₹16,261.69 mn stood 72.5% of operating revenue, compared to 69.5% during previous year. Higher prices for raw milk paid to the farmers, average ₹32.0 per liter in FY22 and ₹30.4 per ltr in FY21, constituted this increase which could not be passed on to the customers.

Employee cost increased by 14.1% to ₹1,024.16 mn in FY22 from ₹897.99 mn in FY21. The increase is mainly Salaries, wages and bonus from 808.8Mn to 928.3Mn

Finance cost came down to ₹65.18 mn from ₹118.92 mn as the company has repaid and prepaid its debt out of cash generated as well as out of proceeds from issue of fresh equity shares through IPO.

Other expenses increased to ₹3,040.38 mn from ₹2,608.08 mn. This 16.6% increase comes from the lines of freight, 1,784.58mn in FY22 and 1,481.40mn

## Key ratios

ROE stands at 15.8.1% & ROCE at 19.1% for the year under review.

## INITIAL PUBLIC OFFER

During FY22, the company came out with an IPO which included fresh issue of 1,168,224

equity shares amounting to ₹ 500 mn and offer for sale of 10,985,444 equity shares from existing shareholders amounting to ₹ 4,701.77 mn. These shares have been issued at a price of ₹ 428 per share including a premium of ₹ 418 per share.

The amount of ₹ 500 mn, raised through fresh issue of equity shares, has been utilized it toward repayment loans ₹ 322.64 mn, capital expenditure ₹ 71.51 mn and general corporate expenses ₹ 105.85 mn.

### **Acquisition of Sri Krishna Milks Private Limited**

In March 2022, the company has committed for acquisition of milk processing business from Sri Krishna Milks Private Limited on a slump sale basis at a consideration of ₹ 500 million. Subsequently, during FY23, the company has taken control of the said business. This acquisition is in line with our strategy of powering growth through organic and inorganic means. Apart from penetration in the Northern Karnataka and Goa market, this acquisition will also enhance our product offerings and production capacities.

### **Outlook for FY23**

With the Covid-19 difficulties getting eased, we expect the FY23 to be a promising year.

Expected normal monsoon would help the farmers to be able to increase milk production which in turn would help the company in lower prices. Softening of raw milk prices has already been seen in initial months of FY23.

Integration of Sri Krishna Milks business would act as a revenue trigger over next few years as it has already established procurement centers and distribution channels. The company could use SKM as a leverage to expand into Northern Karnataka and Goa.

Priority for FY23 includes setting up a new plant in Kenya, after successful foray into Uganda.

The company also is working to expand the capacity at Orgafeed to meet the increasing demand for cattle feed.

These factors provide us confidence and optimism as we enter the FY23.

### **RISKS AND CONCERNS**

While the various waves of Covid19 pandemic have impacted sales during the current and previous year's peak season (summer, i.e., March – June), demand is seen to bounce back in the following quarters. Dairy industry and thereby our company has a high dependence on freight and recent fuel inflationary trends due to geo-political situation in Europe causes spike in our operating costs. Profit margins are vulnerable to raw material price fluctuation (mainly milk procurement prices). Although we are confident to pass it on to the customer, but there

is always a risk of customer price elasticity. Due to the industry's strong competition and fragmentation, with organized players and numerous unorganized competitors in the area, the company's total negotiating strength and price flexibility are constrained. However, the company's strong brand position in South India provides some solace.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal financial Control Systems of the Company commensurate with the size and the nature of the operations. They have been designed to provide reasonable assurance with recording and providing reliable financial and operational information, complying with the applicable Accounting Standards and relevant statutes, also safeguarding the assets from unauthorized use and executing transactions with proper authorization.

The Company has appointed Independent Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls and suggest improvements. Internal Control Systems are reviewed by the Audit Committee and headed by a Non-Executive Independent Director on a regular basis for its effectiveness, and the necessary changes suggested are interpreted into the system. The Internal Audit Report is reviewed by the Audit Committee of the Board.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The industrial relations in the company are congenial and peaceful across various processing and packaging plants, Chilling centers, sales offices, and corporate office. As on March 31st, 2022, there are 2,644 permanent employees. We consider our employees as our family and take care of their development, growth and aspirations. The company ensures that senior employees are regularly providing valuable inputs to the junior employees to upgrade their knowledge and skills on a regular basis. Most of the senior level positions are being filled through internal promotions and we are ensuring clear career path to the high potential employees. Regular internal transfers are keeping the teams agile to the changing needs of the organization. The company has an effective performance Management system covering all employees, which is driven by well-defined KRAs and KPIs. Close monitoring of employee's performance through the KRA based PMS system ensures they are aligned with organizations short term and long-term goals. Most of the HR related activities have been digitized which is helping employees to complete the tasks quickly and accurately.

The HR policies of the company are employee friendly which keeps them motivated towards achievement of their objectives. High performing employees are recognized and rewarded on regular basis and the company ensures to keep their motivation levels through various engagement activities.

# ANNEXURE - IX

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L15209TG1995PLC020324
2	Name of the Company	Dodla Dairy Limited
3	Registered address	8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033. Telangana, India
4	Website	<a href="https://www.dodladairy.com">https://www.dodladairy.com</a>
5	e-mail id	<b>cs@dodladairy.com</b>
6	Financial Year reported	2021-2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of dairy products: 105
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is engaged in the business of procurement and processing of Milk & milk products comprising of Fresh Milk, Butter, Ghee, Paneer, Curd, Flavoured Milk, Doodh Peda, Ice Cream and Skimmed Milk Powder.
9	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations (Provide details of major 5)	The Dodla Dairy Limited undertakes business activities in three international locations through its subsidiary, which are as follows: i. Singapore ii. Kenya iii. Uganda
	b. Number of National Locations	The Company business and operations spread across 157 Locations in the Country
10	Markets served by the Company – Local/ State/ National/ International/	The Company has presence in local, state, national and international market

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 594,927,350/-
2	Total Turnover (INR)	₹ 20,964,838,172/-
3	Total profit after taxes (INR)	₹ 1,366,166,070/-
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.17%

5	List of activities in which expenditure in 4 above has been incurred.	<p>During the financial year the Company directly /indirectly and through Dodla Foundation has performed following activities which are as follows :</p> <p>(a) Donation to Nirmaan Organization for Hospital Equipment's</p> <p>(b) Construction of Hostel at Mohammadapuram, Nellore</p> <p>(c) Donation to Noble Educational Women Empowerment society</p> <p>(d) Donation to Sri Padmavathy Mahila Abyudaya Sang</p> <p>(e) Donation to Rotary Club of Chennai Galaxy Charitable Trust</p>
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### SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has two wholly own subsidiaries as on 31st March, 2022 and two step down subsidiaries.
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Dodla Dairy Limited positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's Subsidiaries are guided to conduct their business in an ethical, transparent and accountable manner. It encompasses suppliers, customers and other stakeholders. It also addresses key BR issues like quality, customer value, health & safety, environment, human rights and employee well-being.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company does not mandate its Milk suppliers /distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business entity.

### SECTION D: BR INFORMATION

1	Details of Director/ Directors responsible for BR	Yes
	(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies	DODLA SUNIL REDDY
	DIN Number	00794889
	Name	DODLA SUNIL REDDY
	Designation	Managing Director
	(b) Details of the BR head	
	DIN Number (if applicable)	00794889
	Name	DODLA SUNIL REDDY
	Designation	Managing Director
	Telephone number	040-4546777
	e-mail id	cs@dodladairy.com

## 2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the well-being of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect and make efforts to restore the environment

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

### (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policy for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	All the policies are in compliance with best practices in the industry.								
	Has the policy being approved by the Board?									
4	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://www.dodladairy.com">https://www.dodladairy.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not Applicable**

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	There is no defined frequency. Assessment is an ongoing exercise and it is an inherent policy of corporate functions.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	No

#### SECTION E: PRINCIPLE-WISE PERFORMANCE

<b>Principle 1</b>	<b>Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.</b>
1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	<p>The Company adopted the Code of Ethics and Business Policies governing conduct of business of the Company in an ethical manner.</p> <p>The Company encourages its business partners to follow the code.</p> <p>The Board of the Company has also adopted a Code of Conduct (Code) which applies to the Directors, Key Managerial Personnel and the senior management of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors Key Managerial Persons and the senior management every year</p>
2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	5 stakeholder complaints were received during the Financial year 2021-22 and there were no complaints pending as on 31 March 2022.

<b>Principle 2</b>	<b>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</b>
1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	NA
2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.):	NA
3 Does the company have procedures in place for sustainable sourcing (including transportation)?	<p>Milk is to be moved to the Chilling Centre within few hours of procurement to avoid spoilage due to its nature of being susceptible to contamination. Direct Milk procurement is done by Company from the farmers and the Company has state-of-the- art logistics infrastructure to transport the milk procured to the nearest chilling centers.</p> <p>The Company has crafted extensive strategies to ensure that sustainable methods are being put in place in the procurement process, that the fresh milk from the farmers reaches the hands of millions of people in quick turnaround time</p>

<b>Principle 2</b>		<b>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</b>
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	The Company works with farmer communities to ensure sustainable production in the long-term. The Company procures its total raw material indigenously and touches the lives of millions of farmers, and practices a strong preference for local procurement of raw materials. Over the last two decades, the Company through its milk procurement network, has built a reputation as a brand that stands for trust and transparency amongst farmers in South India. Building on its reputation and advocacy of transparency in its milk procurement process, farmers look forward towards Company entering their village for milk procurement which has made the Company create one of the largest direct milk procurement network per day amongst private dairy companies.
5	Does the company have a mechanism to recycle products and waste?	The Company has tied up with M/s. Rapitude technology which is picking and recycle waste generated from various plants.

<b>Principle 3</b>		<b>Businesses should promote the well-being of all employees.</b>
1	Total number of permanent employees as on 31.03.2022.	2,644 as on 31st March, 2022
2	Total number of employees hired on temporary/ contractual/ casual basis.	2760
3	Number of permanent women employees.	27
4	Number of permanent employees with disabilities	5
5	Employee association	None
6	What percentage of your permanent employees is members of this recognized employee association?	Not applicable
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Child labour/forced labour/involuntary labour: NIL (ii) Sexual harassment: NIL (iii) Discriminatory employment: NIL
8	Brief details of training Programme held for employees with respect to safety & skill up-gradation training in the last year	1) 23 Safety trainings in 20 locations conducted and 510 employees attended for Trainings. 2) 45 Skill Development trainings in 53 locations and 1297 employees attended for Training.

<b>Principle 4</b>		<b>Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.</b>
1	Has the company mapped its internal and external stakeholders? Yes/No	Yes, the Company has mapped the stakeholders i.e. farmers, customers, shareholders, employees, suppliers, banks and financial institutions, government and regulatory bodies.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	The Company has entered into MOU with SBI to act as intermediary for providing loan to Farmers.

<b>Principle 5</b>		<b>Businesses should respect and promote human rights.</b>
1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company follows its policy on Human Rights which are applicable to all employees in the Company. The Company encourages its Business Partners to follow the policy. Company discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child labour at all manufacturing units / with business associates.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the financial year, the Company did not receive any complaints.

<b>Principle 6</b>		<b>Businesses should respect, protect and make efforts to restore the environment</b>
1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	The Company follows its policy on Environment Protection which is applicable to all its business places.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, The Company is in constant lookout for opportunities for reducing its own operational environmental footprint. Use of renewable energy to the extent possible & energy conservation efforts are in line with global initiatives such as climate change.
3	Does the company identify and assess potential environmental risks? Y/N	The Company has developed an ESMS to implement the E&S Policy. Under the ESMS, procedures for E&S risk and impact identification, management and monitoring have been developed and integrated with the business processes. The institutional structure with roles and responsibilities of various departments towards implementation of the ESMS have been defined
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company is in constant lookout for opportunities in this regard.

<b>Principle 6</b>		<b>Businesses should respect, protect and make efforts to restore the environment</b>
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, under its long- term Sustainability plans, the Company has initiated a number of green initiatives, including setting up solar power generation at its various plants and corporate office.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Company's emissions/waste generated was always within the regulatory defined limits.
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	During the financial year, the company has received 18 PCB Notices and 17 Notices are closed and one notice is pending.

<b>Principle 7</b>		<b>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</b>
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, we are Member of 1) CII 2) FTCI 3) EFSI 4) IDA
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas	Company's Senior Management represents the Company in various industry forums. They understand their responsibility while representing the company in such associations, and while they engage in constructive dialogues and discussions in favour of public good.

<b>Principle 8</b>		<b>Businesses should support inclusive growth and equitable development.</b>
1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	The Company is committed to improve quality of lives of people in the community it serves through long-term stakeholder value creation, with special focus on empowerment of communities in rural India. CSR activities at the company are implemented by the in-house CSR team, through participatory approach involving beneficiaries, NGOs & experts.
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	The Company's Social Responsibility Projects have been carried out by the Company directly and/or through implementing agencies.
3	Have you done any impact assessment of your initiative? (From CSR)	So far, no formal impact assessment has been carried out as these initiatives have been introduced on trial basis.
4	What is your company's direct contribution to community development projects?	The Company has spent ₹ 1,59,55,262/- and ₹ 36,82,936/- is for ongoing project which will spent in the current year. Details of CSR is as per Annexure -V
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes. The community development initiatives are done through CSR activities. Details of CSR is as per Annexure -V

**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**Principle 9**

1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	As of 31st March 2022, the Company has no pending consumer complaints.
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	The Company adheres to all the applicable regulations regarding product labelling and displays relevant information on it to enable safe and effective usage of its products.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No case has been filed by any stakeholder related to the mentioned subject and no case is pending as at the end of financial year March 31, 2022.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Consumer satisfaction is important for business. The Company interacts and connects with the Consumers on a regular basis with multiple touch points. The Company has set up a dedicated help line - toll free number to address all the Consumer complaints and to receive feedbacks

# ANNEXURE- X

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Dodla Dairy Limited ("DDL"/ "the Company") is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of Promoter, Executive and Independent Directors on the Board.

The Corporate Governance framework of your Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management team and constitution of the Board Committees, as required under applicable laws.

Your Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws.

Your Company presents this report, prepared in terms of the SEBI Listing Regulations (including the amendments to the extent applicable), enumerating the current Corporate Governance systems and processes at the Company

### 2. Board of Directors:

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at 31 March 2022, the Board of Directors ("Board") comprised of Eight Directors, of which Six are Non- Executive Directors. The Company has a Non-Executive Chairman and Four Independent Directors. Independent Directors comprise half of the total strength of the Board.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board.

The Board has an unfettered and complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

#### a) The composition and category of the Board of Directors is as follows:

The Board of the Company comprises of Eight Directors as on 31 March 2022.

None of the Director is a Director in more than 10 Public Limited Companies (as specified in Section 165 of the

Act) and Director in more than 7 Listed Entities (as specified in Regulation 17A of the Listing Regulations) or acts as an Independent Director (including any alternate directorships) in more than 7 Listed Companies or 3 equity Listed Companies in case he/she serves as a Whole-time Director/ Managing Director in any Listed Company (as specified in Regulation 17A of the Listing Regulations). Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited Companies in which he/she is a Director.

Sl. No	Name of the Director	Designation	Category
1	Dodla Sesha Reddy	Chairman	Non-Executive Director (Promoter)
2	Dodla Sunil Reddy	Managing Director	Executive Director (Promoter)
3	A Madhusudhana Reddy	Whole-time Director	Executive Director
4	Akshay Tanna	Nominee Director	Non-Executive Director
5	Rampraveen Swaminathan	Independent Director	Independent Director
6	Tallam Puranam Raman	Independent Director	Independent Director
7	Dr.Raja Rathinam	Independent Director	Independent Director
8	* Ponnabolu Divya	Independent Director	Independent Director
9	**Vinoda Kailas	Independent Director	Independent Director

\* Ponnabolu Divya has resigned as independent director w.e.f 31 December 2021.

\*\* Vinoda Kailas has been appointed as independent director w.e.f 20 January 2022.

**b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;**

The details of the attendance of the Directors at the Board meetings held during the Financial Year ended 31 March 2022 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	Number of Board Meetings		Attendance at the last AGM
	Held	Attended	
Dodla Sesha Reddy	9	9	Yes
Dodla Sunil Reddy	9	9	Yes
A Madhusudhana Reddy	9	9	Yes
Akshay Tanna	9	9	Yes
Rampraveen Swaminathan	9	9	Yes
Tallam Puranam Raman	9	9	Yes
Dr.Raja Rathinam	9	9	Yes
Ponnabolu Divya (Up to 31 December 2021)	7	5	Yes
Vinoda Kailas (w.e.f 20 January 2022)	2	2	NA

**c) Other Directorships**

The number of Directorships and memberships in the Committees of other Companies held by the Directors as on 31 March 2022 are as under:

Name of the Director	No. of other Directorships*	In the Other Public Companies**	
		Membership	Chairmanship
Dodla Sesha Reddy	2	3	1
Dodla Sunil Reddy	5	-	-
A Madhusudhana Reddy	-	-	-
Akshay Tanna	6	-	-
Rampraveen Swaminathan	3	-	-
Tallam Puranam Raman	-	-	-
Dr. Raja Rathinam	-	-	-
Vinoda Kailas (w.e.f 20 January 2022)	-	-	-

\* Includes Directorships in the Companies incorporated under the Companies Act, 1956/2013.

\*\* Includes only Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee (Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013/Section 25 of the Companies act, 1956).

**Names of the Listed Companies wherein the Directors of the Company are Directors.**

<b>Name of the Director</b>	<b>No. of Directorships in other Listed Companies</b>	<b>Name of the other Listed Companies in which Directors of the Company are Directors</b>
Dodla Sesha Reddy	1	Nelcast Limited
Dodla Sunil Reddy	Nil	NA
A Madhusudhana Reddy	Nil	NA
Akshay Tanna	Nil	NA
Rampraveen Swaminathan	1	Mahindra Logistics Limited
Tallam Puranam Raman	Nil	NA
Dr. Raja Rathinam	Nil	NA
Vinoda Kailas (w.e.f 20 January 2022)	Nil	NA

**d) Number of Board Meetings**

Nine Board Meetings were held during the Financial Year ended 31 March 2022. The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are 20 April 2021, 09 June 2021, 21 June 2021, 23 June 2021, 14 July 2021, 07 August 2021, 22 October 2021, 20 January 2022 and 07 March 2022.

**e) Disclosure of relationship between Directors inter-se**

Dodla Sesha Reddy, Chairman and Director, is father of Dodla Sunil Reddy, Managing Director of the Company.

**f) Number of shares and convertible instruments held by non- executive directors;**

The number of equity shares of the Company held by Non-Executive Directors, as on 31 March 2022 are as follows:

<b>Name of the Director</b>	<b>No. of Equity Shares (face value ₹ 10 each) held in the Company</b>
Dodla Sesha Reddy	556,716
Akshay Tanna	Nil
Rampraveen Swaminathan	Nil
Tallam Puranam Raman	Nil
Dr. Raja Rathinam	Nil
Vinoda Kailas (w.e.f 20 January 2022)	Nil

**g) web link where details of familiarisation programmes imparted to independent directors is disclosed.**

The details of familiarization programme is available on the website: <https://www.dodladairy.com>

**h) Given below is the chart setting out the skills/expertise/competence of the Board of Directors:**

<b>Name of the Director</b>	<b>Category</b>	<b>Specialization</b>
Dodla Sesha Reddy	Chairman	Has more than 23 years of experience in dairy industry.
Dodla Sunil Reddy	Managing Director	Has more than 26 years of experience in the dairy Industry.
A. Madhusudhana Reddy	Whole-time Director	Has 15 years of experience in the dairy industry.
Akshay Tanna	Nominee Director	Has 17 years of experience in Financial and Business Analysis, Project Management, Private Equity, Valuation, Corporate Finance, Investments, Mergers & Acquisitions.
Rampraveen Swaminathan	Independent Director	He has over 11 years of experience in various industries.
Tallam Puranam Raman	Independent Director	He has more than 15 years of experience in handling Asset Management Companies.
Dr.Raja Rathinam	Independent Director	He has more than 40 years of experience in the dairy industry.
Vinoda Kailas (w.e.f 20 January 2022)	Independent Director	She has over 16 years of experience in designing and implementing large scale IT solutions for clients in US and Europe. She has experience in global client acquisition and technology innovation.

**i) Confirmation from the Board**

All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, then Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

**j)** During the financial year, Ponnnavolu Divya, Independent Director has resigned from the Directorship of the Company with effect from 31 December 2021 owing to his personal reasons and he further confirmed that there are no other material reasons, other than those reason mentioned above for his resignation.

**3. Audit Committee**

**a) Brief description of terms of reference:**

The terms of reference of the Audit Committee are as under:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

- b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - viii. Approval or any subsequent modification of transactions of the Company with related parties;
  - ix. Scrutiny of inter-corporate loans and investments;
  - x. Valuation of undertakings or assets of the Company, wherever it is necessary;
  - xi. Evaluation of internal financial controls and risk management systems;
  - xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xiv. Discussion with internal auditors of any significant findings and follow up there on;
  - xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xviii. To review the functioning of the Whistle Blower mechanism;
  - xix. Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - xxi. Examination of the financial statement and the auditors' report thereon;
  - xxii. Monitoring the end use of funds raised through public offers and related matters;
  - xxiii. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;

- xxiv. The Audit Committee shall have authority to investigate into any matter or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- xxv. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote;
- xxvi. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- xxvii. Management discussion and analysis of financial condition and results of operations;
- xxviii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- xxix. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- xxx. Internal audit reports relating to internal control weaknesses;
- xxxi. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- xxxii. Statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b) composition, name of members and chairperson;**

The Audit Committee of the Company comprises of 3 Independent Directors and 1 Executive Director with Tallam Puranam Raman, Independent Director as its Chairperson.

Name of the Director	Position on the Committee
Tallam Puranam Raman	Chairman
Rampraveen Swaminathan	Member
Dodla Sunil Reddy	Member
Dr. Raja Rathinam	Member

**c) meetings and attendance during the year.**

During the period Audit Committee Meeting was held on 19 April 2021, 14 July 2021, 07 August 2021, 22 October 2021, 20 January 2022 and 07 March 2022

Attendance at the Audit Committee Meetings

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
Tallam Puranam Raman	6	6
Rampraveen Swaminathan	6	4
Dodla Sunil Reddy	6	6
Dr. Raja Rathinam	6	6

#### 4. **Nomination, Remuneration and Compensation Committee**

##### a) **Brief description of terms of reference**

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

##### b) **composition, name of members and chairperson;**

The Nomination, Remuneration and Compensation Committee comprised of 2 Independent Directors and 1 Non-Executive Directors with Rampraveen Swaminathan, Independent Director as its Chairperson.

Composition of the Nomination, Remuneration and Compensation Committee

<b>Name of the Director</b>	<b>Position on the Committee</b>
Rampraveen Swaminathan	Chairman
Raman Tallam Puranam	Member
Dodla Sesha Reddy	Member
Akshay Tanna (Up to 24 December 2021)	Member

##### c) **meeting and attendance during the year;**

During the period Nomination, Remuneration and Compensation Committee Meeting was held on 05 May 2021, 22 October 2021 and 20 January 2022.

Attendance at the Nomination, Remuneration and Compensation Committee Meetings

<b>Name of the Director</b>	<b>Number of Nomination, Remuneration and Compensation Committee Meetings</b>	
	<b>Held</b>	<b>Attended</b>
Rampraveen Swaminathan	3	2
Raman Tallam Puranam	3	3
Dodla Sesha Reddy	3	3
Akshay Tanna (Up to 24 December 2021)	2	2

**d) The Criteria for Evaluation of Independent Directors is given below:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors. In line with SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2017/004, dated January 5, 2017, the Company has adopted the criteria recommended by the SEBI.

The Directors were given Six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Outstanding
2. Surpasses Expectations
3. Meets Expectations
4. Needs Improvement
5. Below Expectations

**5. Stakeholders' relationship committee**

**a) Composition**

The Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Position on the Committee</b>
Raman Tallam Puranam	Chairman
Dodla Sunil Reddy	Member
Akshay Tanna	Member

During the period the Stakeholders Relationship Committee met 1 (One) times on 20 January 2022 and all the members were presented.

**b) Terms of Reference**

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

- c) **name and designation of compliance officer:** Surya Prakash M, Company Secretary and Compliance officer
- d) number of shareholders' complaints received during the financial year; 5
- e) number of complaints not solved to the satisfaction of shareholders; Nil
- f) number of pending complaints : Nil
- d) Email-id for Investor Grievances: cs@dodladairy.com

#### 5A. Risk management committee:

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and provisions of Companies Act, 2013, as amended which requires the Company to lay down procedures about risk assessment and risk minimization, The Risk Management Committee was constituted pursuant to resolution passed by our Board in its meeting held on 07 March 2022. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on 07 March 2022 are set forth below.

##### a) Brief Discription of terms of reference:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

##### b) Composition

The Committee consists of the following Directors:

Name of the Director	Position on the Committee
Dr. Raja Rathinam	Chairman
Akshay Tanna	Member
Madhusudhana Reddy Ambavaram	Member

- c) There was No Risk Management Committee Meeting held during FY 2021-22.

## 6. Remuneration of directors:

- i. There were no pecuniary relationship or transactions with any Non-Executive Director of the Company.
- ii. The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., [www.dodladairy.com](http://www.dodladairy.com)
- iii. Non-Executive Directors are paid Consultancy fees and Sitting Fees:

Following are the details of Sitting Fees and Commission paid to the Non-Executive Directors during the Financial Year ended 31 March 2022:

Name of the Director	Sitting Fees	Consultancy Fees
Dodla Sesha Reddy	Nil	3,900,000
Akshay Tanna	Nil	Nil
Rampraveen Swaminathan	1,200,000	Nil
Tallam Puranam Raman	600,000	Nil
Dr. Raja Rathinam	600,000	Nil
Ponnavolu Divya (Up to 31 December 2021)	300,000	Nil
Vinoda Kailas (w.e.f 20 January 2022)	100,000	Nil

### iv. The Remuneration paid to the Managing Director and Whole Time Director during the year is as follows:

Name of the Director and Designation	Salary	Benefits	Bonuses	Pension	Commission	Performance linked incentives	Performance criteria	Service Contracts	Notice	Total
Dodla Sunil Reddy - Managing Director	28,168,800	8,290,128	1,354,269	1,046,500	Nil	Nil	Nil	Appointed for a period of 5 years		38,859,697
A Madhusudhana Reddy - Whole-time Director	2,799,600	314,975	134,596	104,000	Nil	Nil	Nil	Appointed for a period of 5 years		3,353,171

There were no severance fees and stock option plan. The appointment of the Managing Director is for a period of 5 years and Whole Time Director is for a period of 5 years on the basis of terms and conditions laid down in the respective resolutions passed by the Board/Members in the General Meetings.

## 7. General Body Meetings:

### a) The details of date, location and time of the last three Annual General Meetings held are as under:

Financial Year ended on 31 March	Date	Time (IST)	Venue
2020-21	23 September 2021	11:00 A.M	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular issued by Ministry of Corporate Affairs (MCA Circulars).
2019-20	30 September 2020	10:00 A.M	8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033. Telangana, India.
2018-19	30 September 2019	10:00 A.M	8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033. Telangana, India.

**b) Special Resolutions passed during the previous three Annual General Meetings:**

Financial Year	Date	Time (IST)	Resolutions Passed
2020-21	23 September 2021	11:00 A.M	No Special Resolutions were passed
2019-20	30 September 2020	10:00 A.M	<ol style="list-style-type: none"><li>1. To re-appoint Kishore Mirchandani as an Independent director.</li><li>2. To Re-Appoint P Divya as an Independent Director.</li><li>3. To approve re-appointment and payment of Consultation fees to Dodla Sesha Reddy.</li></ol>
2018-19	30 September 2019	10:00 A.M	<ol style="list-style-type: none"><li>1. To Consider and approve the change in remuneration of the Managing Director.</li><li>2. To Consider and approve the change in remuneration of the Whole-time Director.</li><li>3. To Consider and approve the alteration of the articles of association of the company.</li></ol>

**c) Following Special Resolutions were passed Last year through Postal Ballot****1) Person who conducted the Postal ballot exercise**

The Company has appointed Mrs. Sridevi Madati (M No: F6476) (CP No: 11694), M/s. MNM & Associates, Practicing Company Secretaries, as Scrutinizer to conduct the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

**2) Procedure for Postal Ballot**

Pursuant to the provisions of Section 110 read with Section 108 of the Companies Act, 2013 (“the Act”) and Rules 20 and 22 of the Companies (Management and Administration Rules), 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Secretarial Standard on General Meetings (SS-2) to the extent applicable read with the General Circular No. 20/ 2021 dated December 8, 2021, 14/ 2020 dated April 8, 2020 and General Circular No. 17/ 2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special Resolutions by Companies under the Act and the Rules made thereunder on account of the threat posed by COVID -19” and the General Circular No. 22/2020 dated June 15, 2020, General Circular No.33/2020 dated September 28, 2020, General Circular No.39/2020 dated December 31, 2020 and General Circular No.10/2021 dated June 23, 2021 in relation to extension of the framework provided in the aforementioned circulars up to June 30, 2022, issued by the Ministry of Corporate Affairs, Government of India (the “MCA Circulars”) and any other applicable laws and regulations, that the following Special Resolutions were passed by the Members of the Company through Postal Ballot by remote e-voting process during the Financial Year ended 31 March 2022.

**3) Special Resolutions passed last year through Postal Ballot**

Appointment of Ms. Vinoda Kailas (DIN:09104308) as an Independent Woman Director of the company for a period of 5 years i.e., from 20 January 2022 to 19 January 2027.

## Voting Results:

Resolution-1		Appointment of Ms. Vinoda Kailas (DIN:09104308) as an Independent Woman Director of the company						
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	37,203,859	37,203,825	99.9999	37,203,825	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>37,203,825</b>	<b>99.9999</b>	<b>37,203,825</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
Public Institutions	E-Voting	12,754,231	6,477,845	50.7898	6,477,845	0	100.0000	0.0000
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>6,477,845</b>	<b>50.7898</b>	<b>6,477,845</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
Public Non-Institutions	E-Voting	9,534,645	6,514,901	68.3287	6,514,518	383	99.9941	0.0059
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>6,514,901</b>	<b>68.3287</b>	<b>6,514,518</b>	<b>383</b>	<b>99.9941</b>	<b>0.0059</b>
<b>Total</b>		<b>59,492,735</b>	<b>50,196,571</b>	<b>84.3743</b>	<b>50,196,188</b>	<b>383</b>	<b>99.9992</b>	<b>0.0008</b>

### d) No Extraordinary General Meeting was held during the financial year 2021-22.

## 8. Means of Communication

The quarterly results of the Company were widely published in leading newspapers such as Business Line and Nava Telangana also displayed on the website of the Company at [https://www.dodladairy.com/investor\\_corner](https://www.dodladairy.com/investor_corner). All official press releases, presentations made to analysts and institutional investors and other general information about the Company are also available on the website of the Company.

The presentations made to the analysts and institutional investors, if any, are not communicated individually to the shareholders of the Company. However, in addition to uploading the same on the website of the Company at [https://www.dodladairy.com/investor\\_corner](https://www.dodladairy.com/investor_corner), the presentations are submitted to Stock Exchange for dissemination.

## 9. General Shareholder information

### a) Annual General Meeting: 27th Annual General Meeting

- Date: 30 June 2022
- Time: 11:00 A.M. IST
- Venue: Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) without the physical presence of the Members.

b) **Financial Year:** 1 April 2021 to 31 March 2022.

c) **Dividend Payment Date:** NA

d) Listing on Stock Exchanges: Company's equity shares are listed on 28 June 2021 at:

Name and Address of the Stock Exchange	Scrip Code
<b>BSE Limited</b> Phiroze JeeJeebhoy Towers, Dalal street, Mumbai - 400 001, Maharashtra, India.	<b>543306</b>
<b>National Stock Exchange of India Limited</b> Exchange Plaza, Floor 5, Plot # C/1, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra, India.	<b>DODLA</b>

The listing fees for the year 2022-23 has been paid to the above stock exchanges.

e) **Stock Code:**

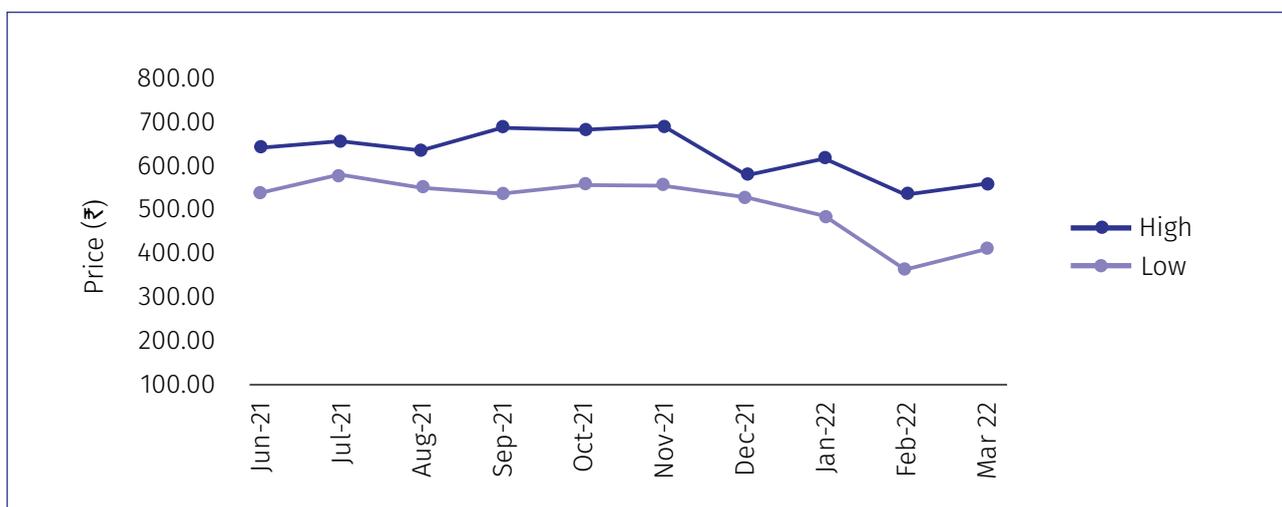
Name of the Stock Exchange	Scrip Code
BSE Limited	543306
National Stock Exchange of India Limited	DODLA

f) **Market price data – high/low during each month in the past financial year:** As the Company share being listed on BSE Limited and National Stock Exchange of India Limited on 28 June 2021.

#### BSE Limited (BSE)

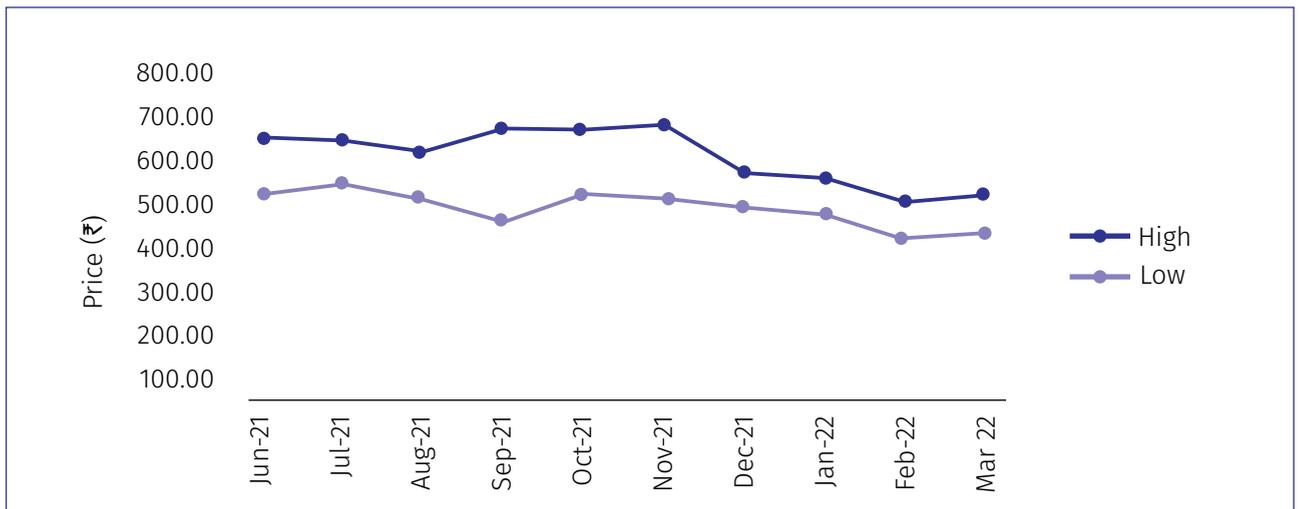
Month	High	Low	No of equity shares traded
June 2021	633.60	528.00	2,743,332
July 2021	645.20	568.20	1,000,986
August 2021	628.90	539.80	753,076
September 2021	668.50	526.95	596,752
October 2021	665.00	541.95	583,632
November 2021	672.00	540.85	221,334
December 2021	590.70	525.00	103,721
January 2022	614.90	488.00	45,855
February 2022	533.55	385.00	37,817
March 2022	548.00	410.05	724,779

#### Share Price at BSE



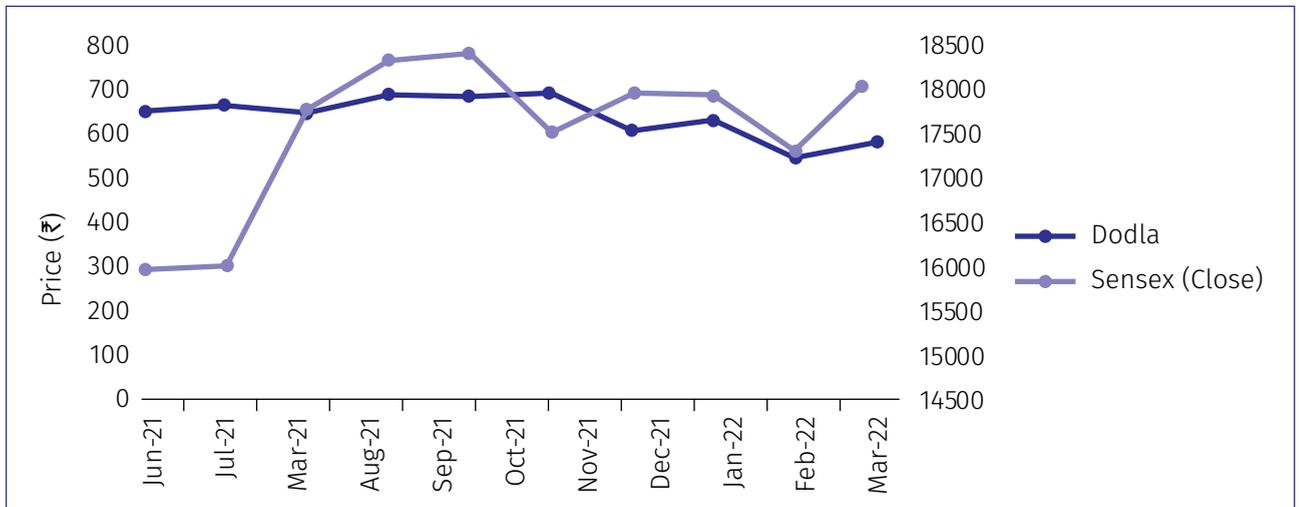
Month	High	Low	No of equity shares traded
June 2021	652.00	550.00	29,790,007
July 2021	646.35	568.05	8,525,655
August 2021	626.55	540.00	1,724,053
September 2021	668.00	500.00	3,901,140
October 2021	666.00	550.50	1,855,137
November 2021	674.80	542.25	1,842,353
December 2021	588.00	526.10	402,704
January 2022	579.00	506.55	399,875
February 2022	535.95	407.60	231,837
March 2022	548.45	410.00	1,794,782

### Share Price at MSE



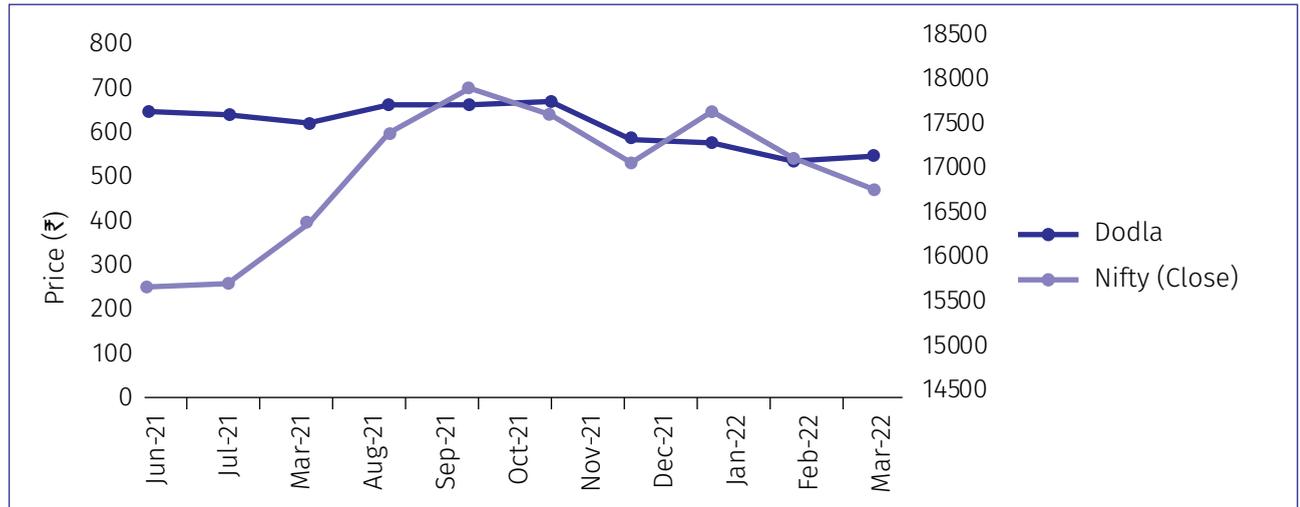
### g) Performance in comparison to broad based indices of BSE Sensex:

Comparison between the Share price - High and Sensex index close price.



### Performance in comparison to broad based indices of Nifty:

Comparison between the Share price- High and Nifty index close price.



**h) There was no suspension of trading in the Securities of the Company during the year under review.**

**i) Registrars to an Issue & Share Transfer Agents:**

#### **KFin Technologies Limited**

Selenium Tower B, Plot Nos. 31 & 32 | Financial District  
Nanakramguda | Serilingampally Mandal | Hyderabad - 500032 | India  
Phone: +91 40 6716 1606  
Fax: +91 40 23001153  
Email id: einward.ris@kfintech.com  
Website: www.kfintech.com  
Toll free number - 1- 800-309-4001

**j) Share Transfer System:**

The Company's shares are traded in the stock exchanges compulsorily in Demat form. The Company's Registrar and Transfer agent is the common agency to look demat registry work. Shares lodged for transfer with the registrar are processed and returned to shareholders within the stipulated time.

**k) Distribution of Shareholding:**

Shareholding pattern as on 31 March 2022.

SL No	Category	No of Shars Held	Percentage of Shareholding
1	PROMOTERS AND PROMOTERS GROUP INDIVIDUALS	37,203,923	62.54
2	MUTUAL FUNDS	7,367,864	12.38
3	FOREIGN PORTFOLIO - CORP	2,617,281	4.40
4	FOREIGN INSTITUTIONAL INVESTORS	2,652,520	4.46
5	ALTERNATIVE INVESTMENT FUND	468,500	0.79
6	RESIDENT INDIVIDUALS	2,928,094	4.92
7	NON RESIDENT INDIANS	24,081	0.04

SL No	Category	No of Shars Held	Percentage of Shareholding
8	CLEARING MEMBERS	25,894	0.04
9	FOREIGN PROMOTER BODIES CORPORATES	5,831,434	9.80
10	NON RESIDENT INDIAN NON REPATRIABLE	17,489	0.03
11	BODIES CORPORATES	303,972	0.51
12	NBFC	35	0.00
13	H U F	51,648	0.09
<b>Total:</b>		<b>59,492,735</b>	<b>100.00</b>

#### Distribution of shareholding as on 31 March 2022

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	43,113	98.652236	1,735,186	17,351,860	2.916635
5001- 10000	303	0.693332	218,863	2,188,630	0.367882
10001- 20000	153	0.350098	211,469	2,114,690	0.355453
20001- 30000	42	0.096105	105,435	1,054,350	0.177223
30001- 40000	18	0.041188	61,538	615,380	0.103438
40001- 50000	11	0.025170	48,887	488,870	0.082173
50001- 100000	18	0.041188	119,367	1,193,670	0.200641
100001& Above	44	0.100682	56,991,990	569,919,900	95.796554
Total	43,702	100.00	59,492,735	594,927,350	100.00

#### l) Dematerialization of Shares and liquidity:

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

59,492,735 equity shares were dematerialised representing 100% of the total paid up equity share capital of the Company as on 31 March 2022.

**ISIN: INE021001019**

m) There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on 31 March 2022.

#### n) Commodity Price Risk or Foreign Exchange risk and hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

**o) Plant Locations:** below are milk processing plants:-

Plant Name	Location
Badvel	Andhra Pradesh
Palamaneru	Andhra Pradesh
Penumur	Andhra Pradesh
Nellore	Andhra Pradesh
Sattenapalle	Andhra Pradesh
Chendurthi	Andhra Pradesh
Koppal	Karnataka
Tumkur	Karnataka
Batlagundu Taluk	Tamil Nadu
Palacode TQ	Tamil Nadu
Vedasandur Taluk	Tamil Nadu
Kirawatti	Tamil Nadu
Kurnool	Telangana
Gundrampally	Telangana

**p) Address for correspondence:**

Company Secretary and Compliance Officer

**Dodla Dairy Limited**

CIN: L15209TG1995PLC020324

# 8-2-293/82/A, 270/Q, Road No 10-C,

Jubilee Hills, Hyderabad - 500 033

Telangana, India.

Tel: 040-4546 7777

Fax: 040-4546 7788

Email: cs@dodladairy.com (for investor grievance)

Toll Free: 1800 103 1477

Web-site: www.dodladairy.com

**q) Credit Rating**

Given below are the ratings given to the Company by ICRA Limited during the Financial Year ended 31 March 2022:

Facilities	Rating	Status
Long Term Scale on Bank limits	[ICRA]AA- (Stable)	Upgraded from [ICRA]A+ (Positive) to [ICRA]AA- (Stable)
Short-Term Scale on Bank limits	[ICRA]A1+	Reaffirmed
Cash Credit / Short term Loan on Bank limits	[ICRA]AA- (Stable) / [ICRA]A1+	-
Instrument Rated (NCD)	[ICRA]AA- (Stable)	Upgraded from [ICRA]A+ (Positive) to [ICRA]AA- (Stable)

**10. Other Disclosures:-**

**a) Related Party Transactions:**

Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements. All transactions with related parties are at arms' length and in compliance with transfer pricing regulations. Consideration is paid/ received through cheque/ online payment.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors and are entered into on an Arms' length basis.

In terms of the Companies Act, 2013 and Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

Related Party Transaction policy is placed on the Company's website at:

[www.dodladairy.com](http://www.dodladairy.com)

**Material Related Party Transactions:**

During the year ended 31 March 2022, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to the Annual Accounts.

**b) Details of non-compliance etc:**

The Company was listed on BSE & NSE on 28 June 2021, the due date for submission of results was 30 May 2021 but SEBI has extended due date for submission of results to 30 June 2021. However, the Company has Submitted results on 14 July 2021. BSE and NSE each have levied fine of ₹ 70,000/- Plus GST. The company has replied to BSE and NSE. The Company has subsequently paid the amount of fine levied by Stock Exchanges.

**c) Details of establishment of Vigil Mechanism/ Whistle Blower Policy:**

The Board of Directors of the Company had adopted the Whistle Blower Policy and appointed Vigilance and Ethics Officer.

A mechanism has been established for all stakeholders including Directors, employees, vendors and suppliers to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

The Audit Committee reviews periodically the functioning of whistle blower mechanism.

No personnel has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company: <https://www.dodladairy.com>

The Vigilance and Ethics Officer had not received any complaint during the Financial Year ended 31 March 2022.

- d) The policy for determining 'material' subsidiaries is available on the website of the Company <https://www.dodladairy.com>
- e) The policy on dealing with related party transactions is available on the website of the Company: <https://www.dodladairy.com>
- f) Commodity price risks and commodity hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

**g) Details of compliance with mandatory requirements and adoption of Discretionary Requirements**

The Company has complied with all the mandatory requirements of Corporate Governance as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

The company has not raised funds through preferential allotment or qualified institutions placement during the financial year ended 31 March 2022.

- i) A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.
- j) There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.
- k) Given below are the details of fees paid to BSR & Associates LLP, Chartered Accountant, Statutory Auditors of the Company on a consolidated basis during the Financial Year ended 31 March 2022.

Sl No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid in ₹ (In Million)
1	Statutory Audit fees paid for Audit of the Company	5.00
2	Fees paid for other services	0.20
3	Reimbursement of expenses	0.12
	<b>Total</b>	<b>5.32</b>

- l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Sl No	Particulars	No of Complaints
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	NA
3	Complaints pending as on end of the financial year	NA

- 11.** The Company has complied with the requirements of Schedule V Corporate Governance Report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**12. Details of compliance with mandatory requirements and adoption of Discretionary Requirements:**

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**13. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

<b>Regulation No</b>	<b>Particulars of Regulations</b>	<b>Compliance status (Yes/No)</b>
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination, Remuneration and Compensation Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

**14. Code of Conduct**

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

**15. CEO and CFO Certification**

The CEO and the CFO has issued a Certificate to the Board as contemplated in Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

**16. Disclosure with respect to Demat suspense account/ unclaimed suspense account**

Unclaimed Equity shares are held in Dodla Dairy Limited Unclaimed Suspense Account maintained with Stock Holding Corporation of India Ltd, Hyderabad-500034, Telangana State, India vide DPID: IN301330 and Client ID: 40561126.

As on 31 March 2022 the company does not have any equity shares lying in the Dodla Dairy Limited Unclaimed Suspense Account.

**17. Proceeds from public issues, rights issues, preferential issues, etc.**

During the year under review the company has raised funds through Initial Public Offering (IPO) of up to 12,153,668 equity shares\* of face value of ₹10 each (“equity shares”) of Dodla Dairy Limited (“company”) for cash at a price of ₹428 per equity share (including a share premium of ₹418 per equity share) (the “offer price”) aggregating up to ₹5,201.77 million (“offer”). The offer comprises a fresh issue of 1,168,224 equity shares aggregating up to ₹500 million and an offer for sale of 10,985,444 equity shares aggregating up to ₹4,701.77 million (“offer for sale”).

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

Place: Hyderabad  
Date: 16 May 2022

**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

**Dodla Sesha Reddy**  
Director  
DIN: 00520448

## Code of Conduct Declaration

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31 March 2022.

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

**Dodla Sunil Reddy**  
Managing Director  
DIN: 00794889

Place: Hyderabad  
Date: 16 May 2022

## CEO and CFO Certificate

We hereby certify that:

- a) We have reviewed Audited Financial Statements and the Cash Flow Statement for the Financial Year ended 31 March 2022 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**On behalf of the Board of Directors  
For Dodla Dairy Limited**

**B. Venkat Krishna Reddy**  
Chief Executive Officer

**Anjaneyulu Ganji**  
Chief Financial Officer

Place: Hyderabad  
Date: 16 May 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**DODLA DAIRY LIMITED**  
8-2-293/82/A/270-Q,  
Road No 10-C, Jubilee Hills,  
Hyderabad-500033,  
Telangana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DODLA DAIRY LIMITED** having CIN L15209TG1995PLC020324 and having registered office at 8-2-293/82/A/270-Q, Road No 10-C, Jubilee Hills, Hyderabad-500033, Telangana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sunil Reddy Dodla	00794889	15/05/1995
2.	Sesha Reddy Dodla	00520448	15/05/1995
3.	Akshay Tanna	02967021	21/07/2017
4.	Ambavaram Madhusudhana Reddy	08126380	03/05/2018
5.	Tallam Puranam Raman	00320782	13/07/2018
6.	Rampraveen Swaminathan	01300682	13/07/2018
7.	Raja Rathinam	09045647	01/02/2021
8.	Vinoda Kailas	09104308	20/01/2022

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

For **MNM & Associates**  
Company Secretaries  
Firm Registration No. P2017TL059600

**Sridevi Madati**  
Partner

M.No.F6476

COP 11694

UDIN: F006476D000329161

**Place: Hyderabad**  
**Date: 16 May, 2022**

## Certificate on Corporate Governance

To  
The Members Of  
Dodla Dairy Limited  
8-2-293/82/A/270/Q, Road No 10-C,  
Jubilee Hills, Hyderabad - 500 033.  
Telangana, India.

We have examined the compliance of conditions of Corporate Governance by Dodla Dairy Limited ('the Company') for the year ended 31 March 2022 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **MNM & Associates**  
Company Secretaries  
Firm Registration No. P2017TL059600

**Place: Hyderabad**  
**Date: 16 May, 2022**

**Sridevi Madati**  
**Partner**  
M.No.F6476  
COP 11694  
UDIN: F006476D000329161

# INDEPENDENT AUDITORS' REPORT

## To the Members of Dodla Dairy Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Dodla Dairy Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2022, 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

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

#### Revenue recognition See note 3(h) and 30 to the consolidated financial statements

##### The key audit matter

Revenue from sale of milk and milk products is recognised when control of the items sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms. The management has pressure to achieve the targets of revenue and profit before tax to achieve performance targets at the reporting period end.

Further, significant amount of the revenue from sale of milk is recognised through cash sales. There is a risk of revenue being understated due to opportunity for misappropriation of cash balances.

##### How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence:

- Assessed the appropriateness of the revenue recognition accounting policies, with the applicable accounting standards.
- We evaluated the design and implementation of key internal financial controls with respect to existence and completeness of revenue recognition and tested operating effectiveness of such controls on selected transactions including cash transactions.
- Tested the completeness and existence of revenue by performing reconciliation of Cash and Debtors to Sales recognised during the year, and reconciliation of quantity produced and sold during the year. We also performed cash count as at the end of the year for selected locations and examined whether cash balances are in agreement with underlying records.

**Revenue recognition See note 3(h) and 30 to the consolidated financial statements****The key audit matter**

Since, significant amounts are involved and because of aforesaid considerations, existence and completeness of revenue recognition from sale of goods is determined to be a key audit matter.

**How the matter was addressed in our audit**

- Performed substantive testing, by using statistical sampling, of revenue transactions recorded during the year by testing the underlying documents which inter-alia includes trip sheets, invoices for testing the existence of revenue.
- Tested manual journal entries on revenue recognised during the year, selected considering specific risk-based criteria, to identify unusual transactions.

**Impairment of Goodwill recognised in the books of Holding company See note 3(b) and note 6 to the standalone financial statements****The key audit matter**

The carrying value of Goodwill aggregates to INR 359.37 million as at 31 March 2022. Goodwill is tested for impairment when there is a trigger or at least annually. The Company performs such assessment of Goodwill for each cash generating unit (CGU) to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been determined using discounted cash flow models. These models use several key assumptions, including estimates of future sales volumes, prices, operational costs, terminal value growth rates and the discount rate.

Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the asset, impairment assessment of Goodwill has been considered as a key audit matter.

**How the matter was addressed in our audit**

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Assessed the compliance of accounting policy for impairment of goodwill with the relevant accounting standard.
- Evaluated the design and implementation of key internal financial controls of the Company with respect to the impairment assessment of Goodwill and tested operating effectiveness of such controls.
- Tested budgeting procedures upon which the cash flow forecasts were based. We have also compared the actual past performances with the budgeted figures.
- Involved our internal valuation specialists to assist us in evaluating the key assumptions and methodology used by the Company, in particular, those relating to the forecast of the revenue growth, profit margins and discount rate. With the involvement of our internal valuation specialists we also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, industry trends, cost inflation and discount rates.
- Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment; and
- Assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities relating to impairment of Goodwill.

**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 Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's and Board of Directors' Responsibilities for the Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements,

including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 2022 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 47 to the standalone financial statements.
  - c) There were no amounts which is 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 56 to the accounts, 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 persons or entities, 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 56 to the accounts, no funds have been received by the Company from any persons or entities, 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 Party (“Ultimate Beneficiaries”); or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under

sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- e) The Company has neither declared nor paid any dividend during the year.
- (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 & Associates LLP**

*Chartered Accountants*

ICAI Firm's Registration No. 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

*Partner*

Membership No.: 066380

UDIN: 22066380AJBMRW7609

Place: Hyderabad

Date: 16 May 2022

## Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Dodla Dairy Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in Paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors’ Report of even date to the Members of Dodla Dairy Limited (“the Company”) on the standalone financial statements for the year ended 31 March 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (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 every 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 lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held 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 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 goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

(Amount in INR million)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/ statement subsequently rectified
05-Apr-21	HDFC Bank, Standard Chartered Bank	Sundry creditors	455.30	94.14	361.16	No

(Amount in INR million)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/ statement subsequently rectified
05-Jul-21	HDFC Bank,		425.84	-	425.84	No
05-Oct-21	Standard Chartered Bank	Sundry creditors	426.81	-	426.81	No
05-Jan-22			488.97	-	488.97	No
30-Jun-21	HSBC Bank,		818.08	369.46	448.62	No
30-Sep-21	ICICI Bank and Kotak Mahindra Bank	Sundry creditors	845.45	312.40	533.05	No
31-Dec-21			921.91	191.60	730.31	No
31-Mar-22			904.32	113.35	790.97	No

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(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.

(e) 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 following instances of loans falling due during the year were extended:

Name of the parties	Aggregate amount dues extended	Percentage of the aggregate to the total loans
Orgafeed Private Limited	INR 5.50 million	3%

(iv) 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 given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company and the loans provided to the parties covered under Section 186 of the Act, in our opinion the provisions of Section 186 of the Act have been complied with. According to the information and explanations given to us, the Company has not provided guarantee or security to any parties covered under Section 186 of the Act.

(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 account 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 have 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, during the year, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of professional tax and Employees' State Insurance.

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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 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, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute, except for following:

Name of the Statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Tax and interest thereon	1.68 (0.69)	Assessment Year 2008-09	Deputy Commissioner of Income-tax, Hyderabad Circle 1(2)
		2.87 (2.87)	Assessment Year 2010-11	Commissioner of Income-tax (Appeals)
		6.42 (6.42)	Assessment Year 2011-12	Commissioner of Income-tax (Appeals)
		32.38 (32.38)	Assessment Year 2012-13	
		25.36 (25.36)	Assessment Year 2013-14	
		9.25 (9.25)	Assessment Year 2014-15	
		11.14	Assessment Year 2016-17	
		26.33	Assessment Year 2017-18	Assessing Officer
		11.78	Assessment Year 2018-19	Assessing Officer
6.24 (6.24)	Assessment Year 2019-20	Deputy Commissioner of Income-tax, Bangalore		
Customs Act, 1962	Custom duty and penalty thereon	3.79 (0.10)	Financial year 2015-16	High Court of Karnataka

Name of the Statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
Goods and Services Tax Act, 2017	Goods and Services Tax	7.30 (7.30)	July 2017 to March 2020	Directorate General of GST Intelligence, Karnataka
		7.49	April 2020 to October 2021	Directorate General of GST Intelligence, Karnataka
		10.19 (6.64)	July 2017 to March 2019	Commercial Taxes Department, Nellore
		9.32 (5.00)	April 2019 to March 2020	Commercial Taxes Department, Nellore
TS Agricultural (Produce and Livestock) Act, 1966	Agriculture Cess	2.39	April 2018 to March 2022	Regional Vigilance Officer, Agri Market Committee, Choutuppal

\* The amount in parenthesis represents amount paid under protest.

- (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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has

- been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (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 standalone 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) and (b) of the Order is not applicable.
- (b) 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.
- (c) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (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, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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.
- (xx) (a) 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 other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm's Registration No. 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

Partner

Place: Hyderabad

Date: 16 May 2022

Membership No.: 066380

UDIN: 22066380AJBMRW7609

## **Annexure B to the Independent Auditors' report on the Standalone Financial Statements of Dodla Dairy Limited for the year ended 31 March 2022**

### **Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Dodla Dairy Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone 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 2022, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' 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 whether 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 such internal financial controls, 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 standalone 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 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 standalone 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 standalone financial statements to future

periods are subject to the risk that the internal financial controls with reference to standalone 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 & Associates LLP**

*Chartered Accountants*

ICAI Firm's Registration No. 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

*Partner*

Place: Hyderabad

Date: 16 May 2022

Membership No.: 066380

UDIN: 22066380AJBMRW7609

# Standalone Balance sheet

(All amount are in rupees millions, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,679.33	4,497.53
Capital work-in-progress	5	40.83	82.57
Goodwill	6	359.37	359.37
Other intangible assets	6	42.93	63.61
Biological assets other than bearer plants			
(i) Matured biological assets	7	16.02	18.65
(ii) Immatured biological assets	7	5.94	8.32
Financial assets			
(i) Investments	8	996.31	437.84
(ii) Loans	9	143.01	165.01
(iii) Other financial assets	16	123.35	97.23
Other tax assets		25.50	18.92
Other non-current assets	10	432.58	11.66
<b>Total non-current assets</b>		<b>6,865.17</b>	<b>5,760.71</b>
<b>Current assets</b>			
Inventories	11	1,081.88	853.45
Financial assets			
(i) Investments	12	1,285.03	604.28
(ii) Trade receivables	13	47.43	48.77
(iii) Cash and cash equivalents	14 (a)	553.28	881.95
(iv) Bank balances other than (iii) above	14 (b)	50.34	717.47
(v) Loans	15	32.27	56.66
(vi) Other financial assets	16	54.25	4.53
Other current assets	17	81.30	101.88
<b>Total current assets</b>		<b>3,185.78</b>	<b>3,268.99</b>
<b>Total assets</b>		<b>10,050.95</b>	<b>9,029.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	594.93	583.25
Other equity	19	7,278.96	5,459.27
<b>Total equity</b>		<b>7,873.89</b>	<b>6,042.52</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	-	529.67
(a) Lease liabilities	49	98.32	98.18
Provisions	23	107.97	87.13
Deferred tax liabilities (net)	21	260.55	380.35
Government grants	22	22.64	25.55
<b>Total non-current liabilities</b>		<b>489.48</b>	<b>1,120.88</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	24	-	339.49
(a) Lease liabilities	49	29.70	16.81
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	25	21.00	13.49
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	25	883.32	800.56
(iii) Other financial liabilities	26	340.31	365.30
Other current liabilities	29	116.75	59.60
Government grants	22	2.91	2.91
Provisions	27	137.24	111.80
Current tax liabilities (net)		156.35	156.34
<b>Total current liabilities</b>		<b>1,687.58</b>	<b>1,866.30</b>
<b>Total liabilities</b>		<b>2,177.06</b>	<b>2,987.18</b>
<b>Total equity and liabilities</b>		<b>10,050.95</b>	<b>9,029.70</b>

Significant accounting policies

3

The accompanying notes are an integral part of the standalone financial statements

As per our Report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration no: 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

Partner

Membership number : 066380

Place: Hyderabad

Date: 16 May 2022

for and on behalf of the Board of Directors of  
**Dodla Dairy Limited**

CIN: L15209TG1995PLC020324

Sd/-

**D. Sesha Reddy**

Chairman

DIN: 00520448

Place: Chennai

Date: 16 May 2022

Sd/-

**D. Sunil Reddy**

Managing Director

DIN: 00794889

Place: Colorado

Sd/-

**Anjaneyulu Ganji**

Chief Financial Officer

Place: Hyderabad

Sd/-

**B.V.K. Reddy**

Chief Executive Officer

Place: Hyderabad

Sd/-

**Surya Prakash Mungelkar**

Company Secretary

M. No. A31877

Place: Hyderabad

## Standalone Statement of Profit and Loss

(All amount are in rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	30	20,964.84	18,369.04
Other income	31	325.26	77.88
<b>Total income</b>		<b>21,290.10</b>	<b>18,446.92</b>
<b>Expenses</b>			
Cost of materials consumed	32	15,380.87	13,123.93
Changes in inventories of finished goods and work-in-progress	33	(8.35)	(148.31)
Employee benefits expense	34	936.28	816.53
Finance costs	35	64.93	118.53
Depreciation and amortisation expense	36	488.57	473.50
Other expenses	37	2,794.39	2,407.96
<b>Total expenses</b>		<b>19,656.69</b>	<b>16,792.14</b>
<b>Profit before tax</b>		<b>1,633.41</b>	<b>1,654.78</b>
<b>Tax expense</b>			
- Current tax	38	385.81	503.02
- Deferred tax	38	(118.57)	67.82
<b>Total tax expense</b>		<b>267.24</b>	<b>570.84</b>
<b>Profit for the year (A)</b>		<b>1,366.17</b>	<b>1,083.94</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurement of the net defined benefit obligation		(4.88)	5.23
Income Tax relating to these items	38	1.23	(1.83)
<b>Other comprehensive income for the year, net of Income tax (B)</b>		<b>(3.65)</b>	<b>3.40</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,362.52</b>	<b>1,087.34</b>
<b>Earnings per share (nominal value of equity shares of ₹ 10 each, fully paid-up)</b>	41		
Basic [in ₹]		23.07	19.34
Diluted [in ₹]		22.87	19.22
Weighted average number of equity shares used in computing earnings per share:			
-Basic		59,211,081	56,042,617
-Diluted		59,724,549	56,403,193

Significant accounting policies

3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration no: 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

Partner

Membership number : 066380

for and on behalf of the Board of Directors of

**Dodla Dairy Limited**

CIN: L15209TG1995PLC020324

Sd/-

**D. Seshu Reddy**

Chairman

DIN: 00520448

Place: Chennai

Sd/-

**D. Sunil Reddy**

Managing Director

DIN: 00794889

Place: Colorado

Sd/-

**B.V.K. Reddy**

Chief Executive Officer

Place: Hyderabad

Sd/-

**Anjaneyulu Ganji**

Chief Financial Officer

Place: Hyderabad

Sd/-

**Surya Prakash Mungelkar**

Company Secretary

M. No. A31877

Place: Hyderabad

Place: Hyderabad

Date: 16 May 2022

Date: 16 May 2022

## Standalone Statement of Changes in Equity

(All amount are in rupees millions, unless otherwise stated)

Particulars	Equity share capital	Other equity				Retained earnings	Total equity attributable to owners of the Company
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Share options outstanding account		
<b>Balance as at 01 April 2020</b>	<b>556.72</b>	<b>12.00</b>	<b>568.28</b>	<b>16.16</b>	<b>26.56</b>	<b>2,790.07</b>	<b>3,969.79</b>
Change in equity share capital due to prior period errors	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>556.72</b>	<b>12.00</b>	<b>568.28</b>	<b>16.16</b>	<b>26.56</b>	<b>2,790.07</b>	<b>3,969.79</b>
Issue of shares	26.53	-	973.47	-	-	-	1,000.00
Share issue expenses	-	-	(18.03)	-	-	-	(18.03)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	1,083.94	1,083.94
Employee share based payment expense	-	-	-	-	3.42	-	3.42
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	3.40	3.40
Transfer to Debenture redemption reserve	-	-	-	34.61	-	(34.61)	-
<b>Balance as at 31 March 2021</b>	<b>583.25</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>29.98</b>	<b>3,842.80</b>	<b>6,042.52</b>
<b>Balance as at 01 April 2021</b>	<b>583.25</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>29.98</b>	<b>3,842.80</b>	<b>6,042.52</b>
Change in equity share capital due to prior period errors	-	-	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>583.25</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>29.98</b>	<b>3,842.80</b>	<b>6,042.52</b>
Issue of shares	11.68	-	488.32	-	-	-	500.00
Share issue expenses	-	-	(31.84)	-	-	-	(31.84)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	1,366.17	1,366.17
Employee share based payment expense	-	-	-	-	0.69	-	0.69
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	(3.65)	(3.65)
Transfer to Retained earnings	-	-	-	(50.77)	-	50.77	-
<b>Balance as at 31 March 2022</b>	<b>594.93</b>	<b>12.00</b>	<b>1,980.20</b>	<b>-</b>	<b>30.67</b>	<b>5,256.09</b>	<b>7,873.89</b>

The accompanying notes are an integral part of the standalone financial statements

As per our Report of even date attached

**for B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration no: 116231W/ W-100024

Sd/-  
**Sulabh Kumar Kedia**  
Partner  
Membership number : 066380

Place: Hyderabad  
Date: 16 May 2022

*for and on behalf of the Board of Directors of*  
**Dodla Dairy Limited**  
CIN: L15209TG1995PLC020324

Sd/-  
**D. Seshu Reddy**  
Chairman  
DIN: 00520448  
Place: Chennai

Date: 16 May 2022

Sd/-  
**D. Sunil Reddy**  
Managing Director  
DIN: 00794889  
Place: Colorado

Sd/-  
**Anjaneyulu Ganji**  
Chief Financial Officer

Place: Hyderabad

Sd/-  
**B.V.K. Reddy**  
Chief Executive Officer  
Place: Hyderabad

Sd/-  
**Surya Prakash Mungelkar**  
Company Secretary  
M. No. A31877  
Place: Hyderabad

## Standalone Statement of Cash Flows

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flows from operating activities</b>		
Profit before tax	1,633.41	1,654.78
Adjustments for:		
Depreciation and amortisation expense	488.57	473.50
Changes in fair valuation of biological assets	(2.04)	(9.22)
Loss on sale/ retirement of property, plant and equipment, net	1.38	-
Loss on sale/ discard of biological assets, net	3.53	4.31
Interest income	(82.59)	(44.62)
Finance costs	64.93	118.53
Dividend income from non-current investment	(169.12)	-
Employee share based payment expense	0.69	3.42
Profit on sale of current investments in mutual funds, net	(24.52)	(0.57)
Fair value gain on financial assets measured at fair value through profit and loss, net	(17.18)	(3.43)
Provision for impairment of receivables, advances and other assets, net	8.65	2.98
Government grant income	(2.91)	(2.88)
Unrealised foreign exchange gain, net	0.03	-
	<b>1,902.83</b>	<b>2,196.80</b>
<b>Change in operating assets and liabilities</b>		
Increase in trade receivables	(0.96)	(11.69)
(Increase)/Decrease in inventories	(228.43)	256.75
Increase in loans and other financial assets	(22.91)	(7.81)
Decrease/(Increase) in other current and non-current assets	9.42	(31.51)
Increase in trade payables and other financial liabilities	82.46	174.96
Increase in employee benefits obligation	41.40	81.40
Increase in other current and non-current liabilities	57.15	10.02
	<b>1,840.96</b>	<b>2,668.92</b>
<b>Cash generated from operations</b>	<b>1,840.96</b>	<b>2,668.92</b>
Income taxes paid, net	(392.39)	(501.12)
	<b>1,448.57</b>	<b>2,167.80</b>
<b>Net cash generated from operating activities</b>	<b>1,448.57</b>	<b>2,167.80</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(709.53)	(526.69)
Proceeds from sale of property, plant and equipment	2.12	9.69
Proceeds from sale of biological assets	3.52	3.38
Inter-corporate deposit given	-	(10.00)
Inter-corporate deposit repaid	16.50	21.00
Dividend income from non-current investment	169.12	-
Advance amount paid for acquisition of business	(300.00)	-
Purchase of investments	(5,493.04)	(550.00)
Proceeds from sale of investments	4,295.52	64.91
Interest received	59.18	44.95
Investment in bank deposits (having original maturity of more than 3 months)	(6.40)	(1,071.40)
Redemption of bank deposits (having original maturity of more than 3 months)	673.53	353.60
	<b>(1,289.48)</b>	<b>(1,660.56)</b>
<b>Net cash used in investing activities</b>	<b>(1,289.48)</b>	<b>(1,660.56)</b>
<b>Cash flows from financing activities</b>		

## Standalone Statement of Cash Flows (continued)

(All amount are in rupees millions, unless otherwise stated)

Repayment of long term borrowings	(869.19)	(231.39)
(Payment) of short term borrowings, net	-	(400.00)
Issue of Shares	500.00	1,000.00
Share issue expenses	(31.84)	(18.03)
Repayment of lease liabilities	(19.27)	(15.56)
Interest on lease liabilities	(11.42)	(8.99)
Payment of dividend	-	(107.49)
Finance costs paid	(56.04)	(111.15)
<b>Net cash generated (used in)/from financing activities</b>	<b>(487.76)</b>	<b>107.39</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(328.67)</b>	<b>614.63</b>
Cash and cash equivalents at the beginning of the year	881.95	267.32
<b>Cash and cash equivalents at end of the year</b>	<b>553.28</b>	<b>881.95</b>

### Note:

#### i. Cash and cash equivalents as per above comprise of the following:

	As at 31 March 2022	As at 31 March 2021
Cash on hand	12.94	16.66
Balances with banks		
-in current accounts	540.34	163.88
-in deposit accounts (with original maturity of less than three months)	-	701.41
<b>Balances as per statement of cash flows</b>	<b>553.28</b>	<b>881.95</b>

#### ii. Movement in financial liabilities

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Opening balance of borrowings</b>		
Non-current borrowings (including current maturities)	869.16	1,100.55
Current borrowings	-	400.00
Lease liabilities	114.99	94.55
Interest accrued but not due on borrowings	2.54	3.69
<b>Movement</b>		
Cash flows	(869.19)	(630.94)
Payment of lease liabilities	(30.69)	(24.55)
Interest expense	53.01	107.99
Interest on lease liabilities	11.42	9.00
Interest paid	(56.04)	(111.15)
Other non-cash movements		
- Addition to lease liabilities	32.30	36.00
- Borrowing cost amortisation	0.50	1.54
<b>Closing balance of borrowings</b>		
Non-current borrowings (including current maturities)	-	869.16
Current borrowings	-	-
Lease liabilities	128.02	114.99
Interest accrued but not due on borrowings	-	2.54

The accompanying notes are an integral part of the standalone financial statements

As per our Report of even date attached

**for B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration no: 116231W/ W-100024

Sd/-  
**Sulabh Kumar Kedia**  
Partner  
Membership number : 066380

Place: Hyderabad  
Date: 16 May 2022

for and on behalf of the Board of Directors of  
**Dodla Dairy Limited**  
CIN: L15209TG1995PLC020324

Sd/-  
**D. Seshu Reddy**  
Chairman  
DIN: 00520448  
Place: Chennai

Date: 16 May 2022

Sd/-  
**D. Sunil Reddy**  
Managing Director  
DIN: 00794889  
Place: Colorado

Sd/-  
**Anjaneyulu Ganji**  
Chief Financial Officer

Place: Hyderabad

Sd/-  
**B.V.K. Reddy**  
Chief Executive Officer

Place: Hyderabad

Sd/-  
**Surya Prakash Mungelkar**  
Company Secretary  
M. No. A31877  
Place: Hyderabad

# Notes to the Standalone Financial Statements

(All amount are in rupees millions, unless otherwise stated)

## 1 Reporting entity

Dodla Dairy Limited ('the Company') was incorporated on 15 May 1995. The Registered office of the Company is situated at 8-2-293/82/A/270-Q, Road No. 10-C, Jubilee hills, Hyderabad. The Company is in the business of processing/ production of milk and production of milk products.

## 2 Basis of preparation

### A. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 16 May 2022.

Details of the Company's accounting policies are included in note 3.

### B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated. The Comparatives are presented for the year ended and as on 31 March 2021.

### C. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Biological assets	Fair value less cost to sell
Share based payment	Fair value
Lease liability	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.
Right-to-use asset	Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### D. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

#### *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 49- leases: whether an arrangement contains a lease and lease classification.

#### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year financial statements is included in the following notes:

- Note 7 - determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 23 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 39 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment
- Note 6(i) - impairment of goodwill
- Note 45 - impairment of financial assets
- Note 49 - lease liabilities - measurement of incremental borrowing costs.

### E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Further information about the assumptions made in the measuring fair values is included in the following notes:

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

- Note 7 - Biological assets other than bearer plants
- Note 45 - Financial instruments
- Note 18(f) - Share based payment arrangement

### F. Current versus non-current classification

All assets and liabilities are classified into current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in the Company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Apart from the above, current assets also include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the date.

Apart from the above, current liabilities also include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

**Operating cycle** - The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

## 3 Significant accounting policies

### (a) Property, plant and equipment

#### i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, including import duties and non refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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

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

### ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii. *Depreciation*

Depreciation on tangible assets (other than for those class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful lives prescribed and in the manner laid down under Schedule II to the Companies Act, 2013 and additions and deletions are restricted to the period of use. If the Management's estimate of the useful life of a fixed asset is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of fixed assets has been provided at the rates based on the following useful lives of fixed assets as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013:

Asset*	Useful life
Laboratory equipment	3 years
Temporary Structures	1 years
Aluminium Milk Cans	10 years
Freezers and Coolers	3 years

\*for these class of assets, the Management believes, based on technical evaluation carried out by them internally, that the useful life as given above best represent the period over which the Management expects to use these assets. Hence, the useful life for these assets is different from the useful life as in Schedule II of the Act.

Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Depreciation on additions/ disposals is provided on a pro-rata basis, i.e., from/ upto the date on which asset is ready for use/ disposed off.

### iv. *Capital work-in-progress*

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

## (b) **Intangible assets**

For measurement of goodwill that arises on a business combination (see Note 3(j)). Subsequent measurement is at cost less any accumulated impairment losses, if any.

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	3 years
Brands	5 years
Non-compete arrangements	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### (c) Biological assets

Biological assets i.e. living animals, are measured at fair value less cost to sell. Costs to sell include the minimal transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred. The animals reared from conception (calf) and heifers are classified as 'immatured biological assets' until the animals become productive. All the productive animals are classified as "matured biological assets".

### (d) Impairment

#### i. Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

#### ii. Non-financial assets

The Company's non-financial assets, other than biological assets, inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured as the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

### (e) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

#### (i) As lessee

The Company's lease asset classes primarily consist of leases for buildings, leasehold land and plant and machinery. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Group's lease asset classes primarily consist of leases for buildings, leasehold land and plant and machinery. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases as on 01 April 2019 (initial application date for Ind AS 116). Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, or changed, on or after 01 April 2019. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset, whether specified explicitly or implicitly;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

- The Company has right to direct the use of the asset by either having right to operate the asset or the Company having designed the asset in a way that predetermines how and for what purpose it will be used.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. 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.

Lease payments included in the measurement of the lease liability comprise the following:

- a. Fixed payments including in-substance fixed payments
- b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c. Amounts expected to be payable under a residual value guarantee and
- d. the exercise price under a purchase option that the Company and its associate is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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 for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

### (f) Inventories

Inventories comprise of raw materials and packing materials, work-in-progress, finished goods, stock-in-trade and stores and spares and are carried at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is 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 related finished products. The comparison of cost and net realisable value is made on an item-by-item basis.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Goods-in-transit are valued at cost which represents the costs incurred upto the stage at which the goods are in-transit.

### (g) Financial instruments

#### i. Recognition and initial measurement

The Group initially recognises financial assets (excluding trade receivables) and financial liabilities when it becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated.

#### ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### *Financial assets*

#### *Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### *Financial liabilities*

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### *Investment in subsidiary and associate*

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associate, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

### **iii. Derecognition**

#### *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 right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets 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*

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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 this case, 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 a new financial liability with modified terms is recognised in the statement of profit and loss.

### iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

### (h) **Revenue recognition**

The Company is engaged in sale of milk and milk products. 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. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts collected on behalf of third parties. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

#### ***Contract balances***

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### **Dividend income and interest income**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### (i) Earnings per share (EPS)

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

### (j) Business Combination

In accordance with Ind AS 103, the Company accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations (for common control business combinations) arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### (k) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates, are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### (l) Government grants

Grants from the government are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. 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/ current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### (m) Income taxes:

Income-tax expense for the year comprise of current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

### (n) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

### (o) Provisions, contingent liabilities and contingent assets

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 and 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 risks 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.

#### i. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### ii. Contingent assets

Contingent assets has to be recognized in the standalone financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

#### iii. Onerous contracts

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

### (p) Employee benefits

#### i. Short-term employee benefits

Short-term employee benefits obligation are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### ii. *Share based payment transactions*

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

### iii. *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

### iv. *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. 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 asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### v. *Other long-term benefits*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of independent actuarial obligation using the projected unit credit method.

### (q) Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

### (r) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### (s) Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as IPO expenses recoverable under other current assets.

### (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. Where bank overdrafts/ cash credits which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. For the purposes of cash flow, bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### (u) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

### (v) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 4: Property, plant and equipment and capital work-in-progress

#### Reconciliation of carrying amount

Description	Gross carrying amount			Accumulated depreciation			Carrying amounts (net)	
	As at 01 April 2021	Additions	Disposals	As at 31 March 2022	As at 01 April 2021	Depreciation for the period	Disposals	As at 31 March 2022
Freehold land	667.15	23.60	-	690.75	-	-	-	690.75
Buildings	1,426.48	71.76	0.66	1,497.58	177.03	58.16	0.66	234.53
Plant and equipments	2,780.00	341.97	13.60	3,108.37	680.28	241.26	11.01	910.53
Electrical installations	119.74	9.61	1.18	128.17	50.09	12.73	1.05	61.77
Electronic data processors	47.68	8.75	1.68	54.75	37.34	5.88	1.68	41.54
Office equipments	39.82	8.10	1.63	46.29	22.21	7.07	1.58	27.70
Furniture and fixtures	123.33	13.53	0.78	136.08	39.23	14.76	0.63	53.36
Laboratory equipments	612.45	131.34	7.56	736.23	475.20	94.30	7.47	562.03
Leasehold improvements	29.88	11.07	-	40.95	2.35	3.16	-	5.51
Right-of-use assets (refer note (iv) below)	140.82	35.21	6.22	169.81	35.58	23.22	2.55	56.25
Vehicles	50.37	1.16	1.86	49.67	20.88	6.60	1.38	26.10
<b>Total</b>	<b>6,037.72</b>	<b>656.10</b>	<b>35.17</b>	<b>6,658.65</b>	<b>1,540.19</b>	<b>467.14</b>	<b>28.01</b>	<b>1,979.32</b>
								<b>4,679.33</b>

Description	Gross carrying amount			Accumulated depreciation			Carrying amounts (net)	
	As at 01 April 2020	Additions	Disposals	As at 31 March 2021	As at 01 April 2020	Depreciation for the year	Disposals	As at 31 March 2021
Freehold land	667.19	-	0.04	667.15	-	-	-	667.15
Buildings	1,364.71	63.27	1.50	1,426.48	123.34	54.64	0.95	177.03
Plant and equipments	2,431.55	352.56	4.11	2,780.00	480.47	201.65	1.84	680.28
Electrical installations	114.21	5.74	0.21	119.74	37.99	12.21	0.11	50.09
Electronic data processors	43.89	5.97	2.18	47.68	29.29	10.22	2.17	37.34
Office equipments	34.64	6.51	1.33	39.82	17.05	6.47	1.31	22.21
Furniture and fixtures	114.47	9.38	0.52	123.33	26.05	13.51	0.33	39.23
Laboratory equipments	537.68	82.73	7.96	612.45	373.23	109.85	7.88	475.20
Leasehold improvements	16.99	13.13	0.24	29.88	0.56	1.81	0.02	2.35
Right-of-use assets (refer note (iv) below)	105.17	39.60	3.95	140.82	16.52	19.78	0.72	35.58
Vehicles	54.07	2.18	5.88	50.37	16.17	7.39	2.68	20.88
<b>Total</b>	<b>5,484.57</b>	<b>581.07</b>	<b>27.92</b>	<b>6,037.72</b>	<b>1,120.67</b>	<b>437.53</b>	<b>18.01</b>	<b>1,540.19</b>
								<b>4,497.53</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### (i) Contractual obligations

Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Carrying amount of property, plant and equipment (included in above) pledged as securities for borrowings (refer Note 20 & 24) as at 31 March 2022 is ₹ 970.98 (31 March 2021: ₹ 2,882.37).

(iii) The Company has not revalued any property, plant and equipment after initial recognition, during the current and previous financial year.

### (iv) Right-of-use assets

Description	Gross carrying amount			Accumulated depreciation			Carrying amounts (net)		
	As at 01 April 2021	Additions	Disposals	As at 31 March 2022	As at 01 April 2021	Depreciation for the period	Disposals	As at 31 March 2022	As at 31 March 2022
Land	5.28	-	-	5.28	1.19	0.96	-	2.15	3.13
Buildings	115.79	28.26	6.22	137.83	27.08	17.38	2.55	41.91	95.92
Plant and equipments	19.75	6.95	-	26.70	7.31	4.88	-	12.19	14.51
<b>Total</b>	<b>140.82</b>	<b>35.21</b>	<b>6.22</b>	<b>169.81</b>	<b>35.58</b>	<b>23.22</b>	<b>2.55</b>	<b>56.25</b>	<b>113.56</b>

Description	Gross carrying amount			Accumulated depreciation			Carrying amounts (net)		
	As at 01 April 2020	Additions	Disposals	As at 31 March 2021	As at 01 April 2020	Depreciation for the period	Disposals	As at 31 March 2021	As at 31 March 2021
Land	5.72	-	0.44	5.28	0.64	0.79	0.24	1.19	4.09
Buildings	79.70	39.60	3.51	115.79	12.09	15.47	0.48	27.08	88.71
Plant and equipments	19.75	-	-	19.75	3.79	3.52	-	7.31	12.44
<b>Total</b>	<b>105.17</b>	<b>39.60</b>	<b>3.95</b>	<b>140.82</b>	<b>16.52</b>	<b>19.78</b>	<b>0.72</b>	<b>35.58</b>	<b>105.24</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 5: Capital work-in-progress

	As at 31 March 2022	As at 31 March 2021
<b>Reconciliation of carrying amount</b>		
<b>Opening balances</b>	<b>82.57</b>	<b>84.97</b>
Additions during the year	579.90	543.14
Capitalised during the year	621.64	545.54
<b>Closing balances</b>	<b>40.83</b>	<b>82.57</b>

Note: The company does not have any Capital work-in-progress (CWIP) which is overdue or has exceeded its cost compared to its original plan and hence, CWIP completion schedule is not applicable.

Capital work-in-progress mainly comprises new plant and machinery, buildings, chilling centres and other assets under erection for the plant.

#### CWIP ageing schedule

##### As at 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	40.83	-	-	-	40.83
Projects temporarily suspended	-	-	-	-	-

##### As at 31 March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	80.45	2.13	-	-	82.57
Projects temporarily suspended	-	-	-	-	-

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 6: Goodwill and other intangible assets

Description	Goodwill	Other intangible assets			Total
		Computer softwares	Brands	Non-compete arrangements	
<b>Gross carrying amount</b>					
As at 01 April 2021	359.37	80.50	58.80	22.20	161.50
Additions	-	0.75	-	-	0.75
Disposals	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>359.37</b>	<b>81.25</b>	<b>58.80</b>	<b>22.20</b>	<b>162.25</b>
<b>Accumulated amortisation</b>					
<b>As at 01 April 2021</b>	-	64.32	24.37	9.20	97.89
Amortisation expense	-	5.24	11.75	4.44	21.43
Disposals	-	-	-	-	-
<b>As at 31 March 2022</b>	-	<b>69.56</b>	<b>36.12</b>	<b>13.64</b>	<b>119.32</b>
<b>Carrying amount (net) as at 31 March 2022</b>	<b>359.37</b>	<b>11.69</b>	<b>22.68</b>	<b>8.56</b>	<b>42.93</b>
<b>Gross carrying amount</b>					
As at 01 April 2020	359.37	76.43	58.80	22.20	157.43
Additions	-	4.07	-	-	4.07
Disposals	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>359.37</b>	<b>80.50</b>	<b>58.80</b>	<b>22.20</b>	<b>161.50</b>
<b>Accumulated amortisation</b>					
<b>As at 01 April 2020</b>	-	44.54	12.62	4.76	61.92
Amortisation expense	-	19.78	11.75	4.44	35.97
Disposals	-	-	-	-	-
<b>As at 31 March 2021</b>	-	<b>64.32</b>	<b>24.37</b>	<b>9.20</b>	<b>97.89</b>
<b>Carrying amount (net) as at 31 March 2021</b>	<b>359.37</b>	<b>16.18</b>	<b>34.43</b>	<b>13.00</b>	<b>63.61</b>

#### (i) Impairment

Refer accounting policy in note 3(d).

*Impairment testing for cash generating unit containing goodwill*

During the earlier years, the Company has acquired assets under a business transfer agreement from K C Dairy Products Private Limited ("K C Dairy") and allocated Goodwill to K C Dairy which represents the lowest level within the Company at which Goodwill is monitored for internal management purposes. The carrying amount of goodwill as at 31 March 2022 is ₹ 359.37 (31 March 2021: ₹ 359.37).

The key assumptions used in the estimation of the recoverable amount as set out below. The values assigned to the key assumptions represent Management's assessment of future trends in the relevant industry and have been based on historical data from both internal and external sources.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Annual revenue growth rate for 5 years (Average)	11.48%	14.14%
Terminal value growth rate	3.00%	3.00%
Budgeted Earnings before tax, interest, depreciation and amortisation (EBITDA) growth rate (Average)	21.80%	12.00%
Weighted average cost of capital % (WACC) post tax	14.28%	13.54%

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = Risk free return + (Market premium x Beta for the Company).

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for FY 2021-22.

- (ii) The Company has not revalued any Intangible assets after initial recognition during the current and previous financial year.

### Note 7: Biological assets other than bearer plants

	As at 31 March 2022	As at 31 March 2021
Matured biological assets	16.02	18.65
Immatured biological assets	5.94	8.32
	<b>21.96</b>	<b>26.97</b>

#### Reconciliation of carrying amount:

	As at 31 March 2022		As at 31 March 2021	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
<b>Balance at the beginning of the year</b>	<b>18.65</b>	<b>8.32</b>	<b>19.91</b>	<b>5.53</b>
Change in fair value (refer note 31)	(2.88)	4.92	2.68	6.53
Cattles matured during the year	5.21	(5.21)	3.64	(3.64)
Cattles sold/ discarded during the year	(4.96)	(2.09)	(7.58)	(0.11)
<b>Balance at the end of the year</b>	<b>16.02</b>	<b>5.94</b>	<b>18.65</b>	<b>8.32</b>

As at 31 March 2022, there were 194 cattle (31 March 2021: 199 cattle) as immatured biological assets and 270 cattle (31 March 2021: 267 cattle) as matured biological assets. During the current year, the Company has sold/ discarded 137 cattle (31 March 2021: 132 cattle).

The fair valuation of biological assets is classified as level 2 in the fair value hierarchy as they are determined based on the basis of the best available quote from the nearest market to the farm and on the basis of age of the calves, cows and heifers.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 8: Non-current investments

	As at 31 March 2022	As at 31 March 2021
<b>Investment in equity instruments</b>		
<b>Investment in subsidiaries and associate</b>		
<b>Carried at cost less provision for other than temporary impairment</b>		
<i>Unquoted</i>		
<b>Investment in subsidiaries</b>		
Dodla Holdings PTE. Limited, Singapore	407.84	407.84
6,606,628 (31 March 2021: 6,606,628) equity shares of face value USD 1.00 each, fully paid-up		
Orgafeed Private Limited	30.00	30.00
3,000,000 (31 March 2021: 3,000,000) equity shares of face value ₹ 10 each, fully paid-up		
<b>Investment in associate*</b>		
Global VetMed Concepts India Private Limited	38.67	38.67
3,866,923 (31 March 2021: 3,866,923) equity shares of face value ₹ 10 each, fully paid-up		
Less: Provision for impairment for investment in Global VetMed Concepts India Private Limited	(38.67)	(38.67)
	<b>437.84</b>	<b>437.84</b>
<b>Investment in debentures</b>		
Carried at amortised cost	558.47	-
	<b>996.31</b>	<b>437.84</b>
Aggregate book value and market value of non-current investments - quoted	-	-
Aggregate value of non-current investments - unquoted	1,034.98	476.51
Aggregate provision for impairment in value of non-current investments	(38.67)	(38.67)

\* The Company holds 47.88% of the shareholding in the associate company. The Company's share of net profit/(loss) incurred during the year by the associate company is ₹ 0.34 (31 March 2021: ₹ 0.07). The Company has not recognised this profit/(loss) in its books of account as the investment is fully impaired. The Company has not received dividend from the associate company during the current and previous year.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 45.

The Company has not traded in or invested in crypto or virtual currency during the year.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 9: Non-current loans</b>		
<i>Unsecured, considered good</i>		
Loans to subsidiary (refer note 42)	143.01	165.01
<i>Unsecured, credit impaired</i>		
Amounts receivable from vendors	5.00	5.00
Less: Allowance for doubtful receivables	(5.00)	(5.00)
	<b>143.01</b>	<b>165.01</b>

For details of loans due by Company in which director of the company is director refer note 42.

### Note 10: Other non-current assets

<i>Capital advances</i>		
Unsecured, considered good	126.02	9.92
<i>Advances other than capital advances (Unsecured, considered good)</i>		
Advance for business purchase (refer note 40)	300.00	-
Prepaid expenses	6.46	1.64
Taxes paid under protest	0.10	0.10
	<b>432.58</b>	<b>11.66</b>

### Note 11: Inventories\*

Raw materials and packing materials	527.48	321.38
Work-in-progress	244.97	234.08
Finished goods**	248.83	251.37
Stores and spares	60.60	46.62
	<b>1,081.88</b>	<b>853.45</b>
Carrying amount of inventories (included in above) pledged as securities for borrowings	1,081.88	853.45

\*refer note 3(f) for mode of valuation for inventories.

\*\*includes goods-in-transit amounting to ₹ 58.74 (31 March 2021: ₹ 57.68).

The write down of inventories to net realisable value during the year amounted to ₹ Nil (31 March 2021: ₹ Nil). The write down are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 12: Current investments</b>		
<b>Carried at FVTPL</b>		
Investment in quoted mutual funds	473.99	604.28
<b>Carried at amortised cost</b>		
Investment in debentures and bonds	615.03	-
Investment in commercial papers	196.01	-
	<b>1,285.03</b>	<b>604.28</b>
Aggregate book/ market value of current investments - quoted	473.99	604.28
Aggregate value of current investments - unquoted	811.04	-
Aggregate amount of impairment in value of current investments	-	-

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 45.

### Note 13: Trade receivables

Secured	6.63	8.08
Unsecured, considered good	40.80	40.69
Unsecured, credit impaired	0.03	2.33
	<b>47.46</b>	<b>51.10</b>
Less: Allowance for doubtful receivables	(0.03)	(2.33)
	<b>47.43</b>	<b>48.77</b>
Carrying amount of receivables (included in above) pledged as securities for borrowings. Refer Note 20 & 24	47.43	48.77

The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 45.

There were no unbilled receivables as at 31 March 2022 and as at 31 March 2021.

### As at 31 March 2022, outstanding for the following periods

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	46.93	0.50	0.03	-	<b>47.46</b>
<b>Total</b>	<b>46.93</b>	<b>0.50</b>	<b>0.03</b>	<b>-</b>	<b>47.46</b>

### As at 31 March 2021, outstanding for the following periods

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	47.71	2.60	0.73	0.06	<b>51.10</b>
<b>Total</b>	<b>47.71</b>	<b>2.60</b>	<b>0.73</b>	<b>0.06</b>	<b>51.10</b>

There are no debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 14: Cash and bank balances</b>		
<b>(a) Cash and cash equivalents:</b>		
Cash on hand	12.94	16.66
Balances with banks		
- in current accounts	540.34	163.88
- in deposit accounts (with original maturity of less than three months)	-	701.41
	<b>553.28</b>	<b>881.95</b>
<b>(b) Other bank balances</b>		
Deposits with remaining maturity of less than 12 months*	50.34	717.47
	<b>50.34</b>	<b>717.47</b>

\*Represents margin money deposits against bank guarantees amounting to ₹ 36.45 (31 March 2021 : ₹ Nil)

### Note 15: Current loans

<i>Unsecured, considered good</i>		
Amounts receivable from vendors	4.77	34.66
Loan to subsidiary (refer note 42)	27.50	22.00
	<b>32.27</b>	<b>56.66</b>

For details of loans due by Company in which director of the company is director refer note 42.

### Note 16: Other financial assets

<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Security deposits	104.36	96.80
Bank deposits maturing after 12 months from the reporting date*	-	0.43
Amount paid under protest	18.99	-
	<b>123.35</b>	<b>97.23</b>

\* Represents margin money deposits against bank guarantees.

<b>Current</b>		
<i>Unsecured, considered good</i>		
Security deposits	26.01	-
Interest accrued	25.67	2.26
Accrued income (refer note 42(iii))	2.57	-
Amount paid under protest	-	0.14
Other receivables (refer note 42(iii))	-	2.13
	<b>54.25</b>	<b>4.53</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 17: Other current assets</b>		
<b>Advances other than capital advances:</b>		
<i>Unsecured, considered good:</i>		
Salary advance to employees	3.59	2.77
Salary advance to key managerial person**	-	1.44
Prepaid expenses	15.80	18.10
Advance to suppliers and service providers	12.94	10.17
Share issue expenses (refer note (i) below)	23.96	44.55
Other advances**	24.00	20.25
Balance with government authorities	1.01	4.60
<i>Unsecured, credit impaired:</i>		
Other advances**	35.07	41.42
Less : Allowance for bad and doubtful advances	(35.07)	(41.42)
	<b>81.30</b>	<b>101.88</b>

Note (i): During the year ended 31 March 2022, the Company incurred expenses in connection with the Initial Public Offer (IPO) of equity shares of the Company by way of fresh issue and an offer for sale by the existing shareholders. In relation to the IPO expenses incurred till date, except for listing fees which shall be solely borne by the Company, all other expenses will be shared between the Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by the Company in the fresh issue and the offered shares sold by the selling shareholders in the offer for sale.

\*\* Includes a part of outstanding balances as disclosed under note 42 (iii).

### Note 18: Equity share capital

<b>Authorised share capital</b>		
75,000,000 (31 March 2021: 75,000,000) equity shares of ₹ 10 each	750.00	750.00
	<b>750.00</b>	<b>750.00</b>
<b>Issued, subscribed and paid-up share capital</b>		
59,492,735 (31 March 2021: 58,324,511) equity shares of ₹ 10 each fully paid-up	594.93	583.25
	<b>594.93</b>	<b>583.25</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### (a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement of the year	58,324,511	583.25	55,671,991	556.72
Issued during the year	1,168,224	11.68	2,652,520	26.53
<b>Outstanding at the end of the year</b>	<b>59,492,735</b>	<b>594.93</b>	<b>58,324,511</b>	<b>583.25</b>

### (b) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a face value of INR 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders 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.

### (c) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of ₹10 each, fully paid-up</b>				
Mr. D. Sunil Reddy	7,852,434	13.20%	8,269,038	14.18%
Mrs. D. Deepa Reddy	6,766,409	11.37%	7,433,958	12.75%
Dodla Family Trust	14,524,983	24.41%	16,144,877	27.68%
Mylktree Consultants LLP	6,946,614	11.68%	7,000,000	12.00%
TPG Dodla Dairy Holdings Pte. Ltd.	5,831,434	9.80%	15,031,434	25.77%
SBI Small Cap Fund	3,672,376	6.17%	-	0.00%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### (d) Equity shares held by promoters at the end of the year

Promoter Name	As at 31 March 2022			As at 31 March 2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Mr. D. Sunil Reddy	7,852,434	13.20%	-5.04%	8,269,038	14.18%	106.13%
Mr. D. Sesha Reddy	556,716	0.94%	0.00%	556,716	0.94%	0.00%
Mrs. D. Deepa Reddy	6,766,409	11.37%	-8.98%	7,433,958	12.75%	779.22%
Sunil Reddy (HUF)	-	0.00%	0.00%	-	0.00%	-100.00%
Dodla Family Trust	14,524,983	24.41%	-10.03%	16,144,877	27.68%	0.00%
Dodla Girija Reddy	17	0.00%	0.00%	17	0.00%	0.00%
Dodla Subba Reddy	17	0.00%	0.00%	17	0.00%	0.00%
Bommi Surekha Reddy	556,733	0.94%	0.00%	556,733	0.95%	0.00%
Mylktree Consultants LLP	6,946,614	11.68%	-0.76%	7,000,000	12.00%	0.00%

(e) During the five years immediately preceding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued other than the issuance of 52,397,168 equity shares of ₹ 10 each, fully paid-up as bonus shares on 17 July 2018 in the ratio of 16:1 (sixteen equity shares of ₹ 10 each for every one equity share of ₹ 10 each held in the Company as on the record date i.e. 05 July 2018) by capitalisation of securities premium account.

### (f) Share based payment arrangement

During the financial year 2017-18, the Company introduced Dodla Dairy Limited Employee Stock Option Plan 2018 ('the Plan'). As per the Plan, the Nomination and Remuneration Committee grants options to the eligible employees and directors of the Company. The vesting period of the option shall be provided in the relevant grant letter and shall be subject to the applicable law. Options granted under the Plan can be exercised within the period determined by the Nomination and Remuneration Committee. Exercise of an option is subject to continued employment.

Under the Plan, the Company granted 49,122 options on 23 March 2018 (835,074 options, converted in the ratio of bonus shares issued) at an exercise price of ₹ 3,627.38 per share (₹ 213.39 per share, in proportion to the bonus shares issued) to the Chief Executive Officer of the Company. Each option represents one equity share of ₹ 10 each, fully paid-up.

### Movement in the options under the plan

	No. of options	
	As at 31 March 2022	As at 31 March 2021
Options outstanding at the beginning of the year	835,074	835,074
Options granted during the year	-	-
Options exercised during the year	-	-
<b>Options exercisable at the end of the year</b>	<b>835,074</b>	<b>835,074</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Fair value measurement

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black Scholes model for calculating fair value of options under the plan as on the date of grant are as follows:

No. of options granted	835,074
Date of grant	23-Mar-18
Vesting period (years)	1 to 4
Fair value at grant date (INR)	430
Expected volatility	45.00%
Risk free rate	7.60%

For details on the employee benefits expense, refer note 34.

### Note 19: Other equity

Particulars	Capital redemption reserve	Attributable to the owners of the Company				Total
		Securities premium	Debenture redemption reserve	Share options outstanding account	Retained earnings	
<b>Balance as at 01 April 2020</b>	<b>12.00</b>	<b>568.28</b>	<b>16.16</b>	<b>26.56</b>	<b>2,790.07</b>	<b>3,413.07</b>
Issue of shares	-	973.47	-	-	-	973.47
Share issue expenses	-	(18.03)	-	-	-	(18.03)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	3.40	3.40
Employee share based payment expense	-	-	-	3.42	-	3.42
Transfer to Debenture redemption reserve	-	-	34.61	-	(34.61)	-
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	1,083.94	1,083.94
<b>Balance as at 31 March 2021</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>29.98</b>	<b>3,842.80</b>	<b>5,459.27</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Particulars	Capital redemption reserve	Securities premium	Debenture redemption reserve	Share options outstanding account	Retained earnings	Total
<b>Balance as at 01 April 2021</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>29.98</b>	<b>3,842.80</b>	<b>5,459.27</b>
Issue of shares	-	488.32	-	-	-	488.32
Share issue expenses	-	(31.84)	-	-	-	(31.84)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	(3.65)	(3.65)
Employee share based payment expense	-	-	-	0.69	-	0.69
Transfer to Debenture redemption reserve	-	-	(50.77)	-	50.77	-
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	1,366.17	1,366.17
<b>Balance as at 31 March 2022</b>	<b>12.00</b>	<b>1,980.20</b>	<b>-</b>	<b>30.67</b>	<b>5,256.09</b>	<b>7,278.96</b>

### Nature and purpose of the reserve

#### *Capital redemption reserve*

The Company had redeemed the preference shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so redeemed is required to be transferred to the capital redemption reserve.

#### *Debenture redemption reserve*

The Company has issued non-convertible debentures in India and as per the provisions of the Companies Act, 2013 is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend.

#### *Securities Premium*

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

#### *Share options outstanding account*

The share options outstanding account is used to recognise the grant date fair value of options issued under Dodla Dairy Limited Employee Stock Option Plan 2018 (refer note 18(e)).

#### *Remeasurement of defined benefit plans (included in retained earnings)*

Remeasurements of defined benefit plans represents the following as per Ind AS 19, employee benefits:

- 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).

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 20: Non-current borrowings</b>		
<i>Secured</i>		
Debentures		
Nil (31 March 2021: 507,705) Redeemable non-convertible debentures of ₹ 1,000 each, fully paid-up	-	418.56
Term loans		
- from banks (refer below)	-	111.11
	-	<b>529.67</b>

### Terms of repayment of Debentures:

During the financial year 2018-19, the Company has issued 550,000 Redeemable non convertible debentures of ₹ 1,000 each, fully paid up to International Finance Corporation (IFC) which carries interest rate of IFC's cost of funding plus 2.25%, currently 9.00% p.a. and is secured by the first charge on movable plant, machinery, equipment and all other movable assets (both present and future) pertaining to specified plants and second pari passu charge on current assets (both present and future) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. During the current year, the Company has pre-paid the entire amount.

### Terms of repayment for secured term loans from banks:

- a) Term loan of ₹ 65 was taken from HDFC Bank during the financial year 2015-2016 which carries interest rate equal to MCLR plus 1.10% per annum i.e., 8.55 % per annum for the year ended 31 March 2022. It is repayable in 16 equal quarterly installments of ₹ 4.06 commencing from January 2018. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 12.19). During the current year, the Company has pre-paid the entire amount.
- b) Term loan of ₹ 100 was taken from HDFC Bank during the financial year 2015-2016 which carries interest rate at the rate equal to MCLR plus 1.10% per annum i.e., 8.55 % per annum for the year ended 31 March 2022. It is repayable in 16 equal quarterly installments of ₹ 6.25 commencing from January 2018. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 18.75). During the current year, the Company has pre-paid the entire amount.
- c) Term loan of ₹ 25 was taken from HDFC Bank during the financial year 2015-2016 which carries interest rate equal to MCLR plus 1.10% per annum i.e., 8.55% per annum for the year ended 31 March 2022. It is repayable in 16 equal quarterly installments of ₹ 1.56 commencing from January 2018. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 4.69). During the current year, the Company has pre-paid the entire amount.
- d) Term loan of ₹ 60 was taken from HDFC Bank during the financial year 2015-2016 which carries interest rate equal to MCLR plus 1.10% per annum i.e., 8.55% per annum for the year ended 31 March 2022. It is repayable in 16 equal quarterly installments of ₹ 3.75 commencing from January 2018. The term loan is secured by exclusive charge on all

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 11.25). During the current year, the Company has pre-paid the entire amount.

- e) Term loan of ₹ 250 was taken from HSBC Bank during the financial year 2018-2019 which carries interest rate equal to MCLR plus 1.00% per annum i.e., 7.85% per annum for the year ended 31 March 2022. It is repayable in 18 equal quarterly installments of ₹ 13.89 each commencing from November 2019. The term loan is secured by first pari-passu charge on identified properties, movable and immovable (present and future), property at Chendurthy together with buildings and immovable fixed assets and second pari passu charge on current assets, present and future and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 166.67). During the current year, the Company has pre-paid the entire amount.
- f) Term loan of ₹ 249.50 was taken from ICICI Bank during the financial year 2018-2019 which carries interest rate equal to MCLR plus 0.60 % per annum i.e., 7.90 % per annum for the year ended 31 March 2022. It is repayable in total 10 quarterly installments. For 9 quarterly installments of ₹ 13.86 each and balance of ₹ 124.75 for final installment commencing from September 2019. The term loan is secured by First pari-passu charge on fixed assets of the company along with HSBC covering 1.2 times of the exposure and Second pari passu charge hypothecation on the entire current assets of the company both present and future except for the investments in mutual funds and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 152.47). During the current year, the Company has pre-paid the entire amount.

### Terms of repayment of short-term borrowings from banks:

#### Secured

- i) **ICICI Bank:** The Company has taken cash credit and working capital demand loan facilities from ICICI Bank, secured by way of First Pari-passu Charge: Hypothecation of the companies entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other moveables including book debts, bills whether documentary or clean, out standing monies, receivables both present and future in a form and manner satisfactory to the bank except investments in mutual fund. Second pari-passu charge: entire fixed assets of the company which are both movable and immovable in nature and Personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Cash credit carries an interest rate of 7.70% per annum and working capital demand loan carries an interest rate of 7.95% to 8.70% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).
- ii) **Standard Chartered Bank (SCB):** The Company has taken short-term loan and pre-shipment finance facility from SCB. All these facilities are secured by Pari-passu first charge on entire current assets of the company. Pari-passu second charge on entire fixed assets of the company both present and future (excepting assets specifically charged to Banks) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Interest rate on these facilities ranges from 5.00% to 9.00% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).
- iii) **Kotak Mahindra Bank:** The Company has taken working capital demand loan facility from Kotak Mahindra Bank, secured by First pari-passu hypothecation charge to be shared with HDFC, ICICI, HSBC & SCB on all existing and future receivables/current assets of the borrower. Second pari-Passu Charge on moveable fixed assets of the borrower (other than exclusive charged assets like vehicles/assets created out of SCB's ECB loan). Second pari passu charge on immovable properties of specific properties of the borrower ₹ 26.14 Crores (Market Value) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Interest rate on these facilities ranges from 4.25% to 8.00% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

- iv) HDFC Bank:** The Company has taken cash credit and working capital demand loan facility from HDFC Bank. All these facilities are secured by 1. Pari-passu first charge on entire current assets of the company, present and future. 2. 2nd Pari-passu charge on fixed assets of the company and personal guarantees furnished by the director of the Company, Mr. Sunil Reddy. Cash credit carries an interest rate of 9.50% to 10.00% per annum and working capital demand loan carries an interest rate of 8.00% to 9.00% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).
- v) Hongkong and Shanghai Banking Corporation (HSBC Bank):** The Company has taken overdraft and working capital demand loan facility from HSBC Bank. All these facilities are secured by First pari-passu charge on current assets present and future of the borrower. Second pari-passu charge fixed assets (Movable & Immovable) of the borrower except those exclusively charged to term lenders and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Interest rate on these facilities ranges from 6.90% to 8.00% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).

Aggregate amount of loans (including current maturities) guaranteed by the directors of the Company outstanding as at 31 March 2022 is Nil (31 March 2021 is ₹ 450.60).

Aggregate amount of debentures (including current maturities) guaranteed by the directors of the Company outstanding as at 31 March 2022 is Nil (31 March 2021 is ₹ 507.71).

Information about the Company's exposure to interest rate and liquidity risks is included in note 45.

The Company has not availed any specific borrowings during the year.

### Reconciliation of quarterly statements of current assets submitted to bank with books of account:

Name of the Bank	Quarter	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
HDFC Bank, Standard Chartered Bank	05-Apr-21	Sundry Creditors	455.30	94.14	361.16	
HSBC Bank, ICICI Bank, Kotak Mahindra Bank	June'21	Sundry Creditors	818.08	369.46	448.62	
HDFC Bank, Standard Chartered Bank	05-Jul-21	Sundry Creditors	425.84	-	425.84	Only sundry creditors with respect to milk purchases have been considered for the purpose of submission of statements to banks.
HSBC Bank, ICICI Bank, Kotak Mahindra Bank	September'21	Sundry Creditors	845.45	312.40	533.05	
HDFC Bank, Standard Chartered Bank	05-Oct-21	Sundry Creditors	426.81	-	426.81	
HSBC Bank, ICICI Bank, Kotak Mahindra Bank	December'21	Sundry Creditors	921.91	191.60	730.31	
HDFC Bank, Standard Chartered Bank	05-Jan-22	Sundry Creditors	488.97	-	488.97	
HSBC Bank, ICICI Bank, Kotak Mahindra Bank	March'22	Sundry Creditors	904.32	113.35	790.97	

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 21: Deferred tax liabilities, net</b>		
The balance comprises temporary differences attributable to:		
<b>Deferred tax liabilities</b>		
On account of property, plant and equipment (PPE), goodwill and other intangible assets	367.73	517.37
Fair value changes in mutual funds	5.53	1.84
Others	5.18	8.94
<b>Deferred tax assets</b>		
Provision for employee benefits	(42.91)	(64.88)
Lease liabilities	(32.23)	(40.19)
Provision for impairment of receivables, advances and other assets, net	(10.08)	(17.03)
Others	(32.67)	(25.70)
<b>Net deferred tax liability</b>	<b>260.55</b>	<b>380.35</b>

Also refer note 38, for tax expense.

### Movement in deferred tax liabilities/ (assets)

	On account of PPE, goodwill and other intangible assets	Fair value changes in mutual funds	Provision for employee benefits	Provision for impairment of receivables, advances and other assets, net	Others	Total
<b>Balance as at 01 April 2020</b>	<b>406.00</b>	<b>6.35</b>	<b>(54.11)</b>	<b>(19.99)</b>	<b>(27.55)</b>	<b>310.70</b>
Charged/ (credited):						
- to profit or loss	111.37	(4.51)	(12.60)	2.96	(29.40)	67.82
- to other comprehensive income	-	-	1.83	-	-	1.83
<b>Balance as at 31 March 2021</b>	<b>517.37</b>	<b>1.84</b>	<b>(64.88)</b>	<b>(17.03)</b>	<b>(56.95)</b>	<b>380.35</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	On account of PPE, goodwill and other intangible assets	Fair value changes in mutual funds	Provision for employee benefits	Provision for impairment of receivables, advances and other assets, net	Others	Total
<b>Balance as at 01 April 2021</b>	<b>517.37</b>	<b>1.84</b>	<b>(64.88)</b>	<b>(17.03)</b>	<b>(56.95)</b>	<b>380.35</b>
Charged / (credited):						
- to profit or loss	(149.64)	3.69	23.20	6.95	(2.76)	(118.57)
- to other comprehensive income	-	-	(1.23)	-	-	(1.23)
<b>Balance as at 31 March 2022</b>	<b>367.73</b>	<b>5.53</b>	<b>(42.91)</b>	<b>(10.08)</b>	<b>(59.71)</b>	<b>260.55</b>

	As at 31 March 2022	As at 31 March 2021
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### Note 22: Government grants

Non-current	22.64	25.55
Current	2.91	2.91
	<b>25.55</b>	<b>28.46</b>

### Movement of government grants:

<b>Balance at the beginning of the year</b>	<b>28.46</b>	<b>31.34</b>
Add: Received during the year	-	-
Less: Released to statement of profit and loss (refer note 31)	(2.91)	(2.88)
<b>Balance at the end of the year</b>	<b>25.55</b>	<b>28.46</b>

### Note 23: Non-current provisions

<b>Provision for employee benefits</b>		
Compensated absences	88.04	72.85
Gratuity (refer note (ii) below)	19.93	14.28
	<b>107.97</b>	<b>87.13</b>

#### (i) Post retirement benefit - Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue (refer note 34).

#### (ii) Post retirement benefit - Defined benefit plans

The Company provides its employees with the benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/ exit, restricted to a sum of ₹ 2.00.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

- a) The amounts recognised in the financial statements and the movements in the defined benefit obligation and plan assets over the year are as follows:

	As at 31 March 2022			As at 31 March 2021		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>Opening balance (A)</b>	<b>102.70</b>	<b>(83.92)</b>	<b>18.78</b>	<b>95.71</b>	<b>(73.74)</b>	<b>21.97</b>
Current service cost	15.30	-	15.30	15.31	-	15.31
Interest cost	5.39	-	5.39	5.74	-	5.74
Expected returns	-	(4.40)	(4.40)	-	(4.42)	(4.42)
<b>Total amount recognised in profit or loss (B)</b>	<b>20.69</b>	<b>(4.40)</b>	<b>16.29</b>	<b>21.05</b>	<b>(4.42)</b>	<b>16.63</b>
<i>Remeasurements</i>						
Gain from change in demographic assumptions	5.80	-	5.80	(11.26)	-	(11.26)
Loss from change in financial assumptions	(4.06)	-	(4.06)	5.20	-	5.20
Experience losses/ (gains)	4.35	(1.21)	3.14	0.87	(0.04)	0.83
<b>Total amount recognised in other comprehensive income (C)</b>	<b>6.09</b>	<b>(1.21)</b>	<b>4.88</b>	<b>(5.19)</b>	<b>(0.04)</b>	<b>(5.23)</b>
Contributions (D)	-	(15.64)	(15.64)	-	(14.59)	(14.59)
Benefits paid (E)	(8.99)	8.99	-	(8.87)	8.87	-
<b>Closing balance (A+B+C+D+E)</b>	<b>120.49</b>	<b>(96.18)</b>	<b>24.31</b>	<b>102.70</b>	<b>(83.92)</b>	<b>18.78</b>

### b) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.10%	5.25%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	19.00%	24.72%
Retirement age	60 years for Senior Manager/ DGM & above level 58 years for others	58 years

- i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
- ii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- iii) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### c) 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:

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	114.49	127.10	98.61	107.15
Salary escalation rate (1% movement)	126.70	114.72	106.85	98.80
Employee attrition rate (1% movement)	111.94	140.01	94.86	122.21

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### d) The major categories of plan assets are as follows

	As at 31 March 2022	As at 31 March 2021
Funds managed by Life Insurance Corporation of India	96.18	83.92
<b>Total</b>	<b>96.18</b>	<b>83.92</b>

The Company makes annual contribution to the Life Insurance Corporation of India ('LIC') of an amount advised by LIC. The Company was not informed by LIC of the investments made by them or the breakup of the plan assets into various type of investments.

### e) Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The Company's plan assets are insurer managed funds and are subject to less material risk.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities and the Company ensures that it has enough reserves to fund the liability.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### f) Maturity profile of defined benefit obligation:

	As at 31 March 2022	As at 31 March 2021
1st following year	21.87	24.78
2nd following year	18.24	18.54
3rd following year	16.84	16.00
4th following year	15.64	13.36
5th following year	13.56	11.64
Thereafter	88.38	46.67

g) The Company expects to contribute a sum of ₹ 40.56 to the plan for the next annual accounting period (31 March 2021: ₹ 31.73).

h) The weighted average duration of the defined benefit obligation at the end of the year is 5 years (31 March 2021: 4 years).

### (iii) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company including its subsidiary and associate incorporated in India towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### Note 24: Current borrowings

	As at 31 March 2022	As at 31 March 2021
Current maturities of long term loans from banks	-	339.49
	-	<b>339.49</b>
Refer note 20 for disclosures related to borrowings.		

### Note 25: Trade payables

Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note below)	21.00	13.49
Total outstanding dues of creditors other than micro enterprises and small enterprises **	883.32	800.56
	<b>904.32</b>	<b>814.05</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Not Due	Unbilled	
MSME	0.77	-	-	-	20.23	-	<b>21.00</b>
Others	724.46	0.53	0.46	1.64	91.68	64.55	<b>883.32</b>
<b>Total</b>	<b>725.23</b>	<b>0.53</b>	<b>0.46</b>	<b>1.64</b>	<b>111.91</b>	<b>64.55</b>	<b>904.32</b>

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Not Due	Unbilled	
MSME	13.49	-	-	-	-	-	<b>13.49</b>
Others	610.66	0.18	5.82	1.90	98.30	83.70	<b>800.56</b>
<b>Total</b>	<b>624.15</b>	<b>0.18</b>	<b>5.82</b>	<b>1.90</b>	<b>98.30</b>	<b>83.70</b>	<b>814.05</b>

**Note:** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the reporting date 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 Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year;		
-	Principal (including ₹ 3.68 shown under capital creditors (31 March 2021: ₹ 1.06))	24.68	14.55
-	Interest	-	-
ii)	The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-

\*\* Includes a part of outstanding balances as disclosed under note 42 (iii).

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 45.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 26: Other financial liabilities</b>		
Interest accrued but not due on borrowings	-	2.54
Capital creditors***	28.52	43.16
Employee payables**	62.83	114.73
Security deposits	245.28	204.87
Other payable	3.68	-
	<b>340.31</b>	<b>365.30</b>

\*\* Includes a part of outstanding balances as disclosed under note 42 (iii).

\*\*\*Includes a part of outstanding balance as disclosed under note 25 on MSME disclosure

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 45.

### Note 27: Current provisions

#### Provision for employee benefits

Compensated absences	23.83	27.95
Gratuity (refer note 23)	4.38	4.50
<b>Other provisions</b>		
Provision for litigations (refer note 28)	109.03	79.35
	<b>137.24</b>	<b>111.80</b>

### Note 28: Movement in provision for litigations

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance
Provision for litigations				
- For the year ended 31 March 2022	<b>79.35</b>	29.68	-	<b>109.03</b>
- For the year ended 31 March 2021	<b>6.74</b>	72.61	-	<b>79.35</b>

Provision for litigations represents provision towards potential liability against an indirect tax case based on Company's internal assessment.

### Note 29: Other current liabilities

Contract liability against payment	44.85	36.11
Statutory dues	24.84	22.29
Other liabilities	47.06	1.20
	<b>116.75</b>	<b>59.60</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 30: Revenue from operations</b>		
<b>Sale of goods</b>		
- Finished goods	20,937.11	18,325.98
<b>Sale of services</b>		
- Conversion service charges	17.74	35.60
<b>Other operating revenue</b>		
- Sale of scrap	9.99	7.46
	<b>20,964.84</b>	<b>18,369.04</b>

### Reconciliation of revenue recognised with the contracted price is as follows:

Contract price	21,191.65	18,691.55
Less: Discounts and incentives	(226.81)	(322.51)
	<b>20,964.84</b>	<b>18,369.04</b>
<b>Contract balances</b>		
Trade receivables (refer note 13)	47.43	48.77
Contract liabilities (refer note 29)	44.85	36.11

The contract liabilities are primarily related to advance from customers for sale of milk and milk products, for which revenue is recorded at a point in time. The amount of ₹ 36.11 included in contract liabilities as at 31 March 2021 has been recognised as revenue in the current year.

### Note 31: Other income

Interest income		
- on deposits	23.28	24.28
- on bonds, Debentures and Commercial papers	41.15	-
- on others	18.16	20.34
Amortisation of government grants (refer note (i) below and note 22)	2.91	2.88
Changes in fair value of biological assets (refer note 7)	2.04	9.22
Fair value gain on financial assets measured at fair value through profit and loss	17.18	3.43
Dividend income from non-current investments	169.12	-
Profit on sale of investments in mutual funds, net	24.52	0.57
Other non-operating income	26.90	17.16
	<b>325.26</b>	<b>77.88</b>

Note (i): Government grants relate to capital investments in property, plant and equipment for creation of cold chain projects. The investment subsidies received from Government towards acquisition of assets are treated as "Government grants" and the amount in proportion to the depreciation is transferred to the statement of profit and loss.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 32: Cost of materials consumed</b>		
Inventory of materials at the beginning of the year	321.38	730.81
Add: Purchases during the year	15,586.97	12,714.50
Less: Inventory of materials at the end of the year	527.48	321.38
	<b>15,380.87</b>	<b>13,123.93</b>
<b>Note 33: Changes in inventories of finished goods and work-in-progress</b>		
<b>a) Finished goods</b>		
Opening stock	251.37	203.29
Closing stock	(248.83)	(251.37)
	<b>2.54</b>	<b>(48.08)</b>
<b>b) Work-in-progress</b>		
Opening stock	234.08	133.85
Closing stock	(244.97)	(234.08)
	<b>(10.89)</b>	<b>(100.23)</b>
	<b>(8.35)</b>	<b>(148.31)</b>
<b>Note 34: Employee benefits expense</b>		
Salaries, wages and bonus	850.88	737.19
Employee share based payment expenses (refer notes 18(f) and 19)	0.69	3.42
Contribution to provident and other funds	59.59	52.03
Expenses related to post-employment defined benefit plans (refer note 23)	16.29	16.63
Staff welfare expenses	8.83	7.26
	<b>936.28</b>	<b>816.53</b>
<b>Note 35: Finance costs</b>		
Interest expense on loan from banks	29.07	106.85
Other interest costs	11.42	11.68
Other borrowing costs	24.44	-
	<b>64.93</b>	<b>118.53</b>
<b>Note 36: Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (refer note 4)	467.14	437.53
Amortisation of intangible assets (refer note 6)	21.43	35.97
	<b>488.57</b>	<b>473.50</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 37: Other expenses</b>		
Power and fuel	383.87	340.97
Consumption of stores and spare parts	221.66	176.65
Milk procurement expenses	20.60	16.08
Repairs and maintenance:		
- buildings	19.22	12.58
- plant and machineries	12.68	10.92
- other assets	11.43	11.10
Rent	49.19	41.05
Rates and taxes	52.11	91.49
Communication	10.28	9.56
Printing and stationery	11.64	12.74
Travelling and conveyance	57.86	46.66
Vehicle hire charges	10.72	9.00
Bank charges	8.35	8.54
Legal and professional fees (refer note (i) below)	74.52	59.41
Security expenses	48.70	42.00
Bad debts written off	2.44	1.69
Loss on account of foreign exchange fluctuations, net	0.03	-
Provision for impairment of receivables	(2.30)	0.40
Impairment loss on doubtful advances	(6.35)	(3.38)
Insurance	19.42	22.84
Loss on sale/ retirement of property, plant and equipment, net	1.38	0.06
Loss on sale/ discard of biological assets, net	3.53	4.31
Expenditure on Corporate social responsibility (refer note 37(ii))	19.64	13.35
Carriage outwards	1,655.14	1,388.75
Advertisement	65.66	48.51
Miscellaneous	42.97	42.68
	<b>2,794.39</b>	<b>2,407.96</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note:

### (i) Auditor's remuneration (included in legal and professional fees, excluding taxes)\*

<b>As auditor</b>	5.00	4.65
<b>For other services</b>		
Certification services	0.20	0.17
<b>For reimbursement of expenses</b>	0.12	0.14
	<b>5.32</b>	<b>4.96</b>

\* During the year, the Company has incurred ₹ 8.77 (31 March 2021: ₹ 12.63) towards service received from the auditors of the Company in relation to the Initial Public Offering (IPO). The same was not charged off to the statement of profit and loss and was disclosed in "Other current assets" in the previous year as it was supposed to be recovered from shareholders or adjusted from securities premium in proportion of shares being offered or fresh shares issued (refer note 17).

### (ii) Corporate social responsibility

a) Gross amount required to be spent by the company during the year	19.64	13.35
b) Amount spent during the year (in cash)		
i) Construction/acquisition of any asset	5.20	12.15
ii) On purposes other than (i) above	10.75	-
iii) Nature of CSR activities		
Eradicating hunger, poverty and malnutrition	8.00	-
Promoting education	7.96	12.15
c) Related party transactions (refer Note 42)	6.40	12.15
d) Total previous years' shortfall	-	-
e) Shortfall at the end of the year	3.68	1.20
f) Movements in provision of liability created		

	Opening provision	Created during the year	Payment during the year	Closing provision
<b>Provision for Corporate Social responsibility*</b>	1.20	3.68	1.20	3.68

\* The amount has been provided in the books of account and shown as "Other liabilities" in the Balance sheet. The shortfall at the end of the year is on account of pending contribution towards projects in progress.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022		For the year ended 31 March 2021	
<b>Note 38: Tax expense</b>				
<b>(a) Amounts recognised in profit or loss</b>				
Current tax		385.81		503.02
Deferred tax		(118.57)		67.82
		<b>267.24</b>		<b>570.84</b>
<b>(b) Amounts recognised in other comprehensive income</b>				
Deferred tax (refer note 21)		(1.23)		1.83
		<b>(1.23)</b>		<b>1.83</b>
<b>(c) Reconciliation of effective tax rate</b>				
<b>Profit before tax</b>		<b>1,633.41</b>		<b>1,654.78</b>
Tax using the Company's domestic tax rate	25.17%	411.10	34.94%	578.25
<b>Tax effect of:</b>				
Non-deductible tax expense	0.31%	5.13	0	0
Tax exempt income	-2.61%	(42.56)	-5.76%	(95.34)
Adjustment for items taxed at a lower rate	0.00%	-	-0.09%	(1.55)
Change in rate	-6.51%	(106.41)	0.00%	-
Others	-0.08%	(1.24)	5.52%	91.31
		<b>16.28%</b>	<b>266.01</b>	<b>34.61%</b>
			<b>572.67</b>	

During the year ended 31 March 2022, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31 March 2022 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said Section.

### Note 39: Contingent liabilities

	As at 31 March 2022	As at 31 March 2021
<b>i) Claims against the Company not acknowledged as debts* (net of provision):</b>		
Income-tax matters	0.99	0.99
Indirect tax matters related to assessment of Central Sales Tax and Customs on import of machinery	3.69	81.24

\*It does not include any interest/ penalty which may arise at the time of completion of the respective proceedings.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defence of the proceedings and accordingly, no further provision is required.

- ii) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019 and has made a provision for it in the books of account which was subsequently paid. In respect of the earlier periods/ years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

### Note 40: Commitments

#### Capital commitments:

	As at 31 March 2022	As at 31 March 2021
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	137.42	28.89

(ii) The Board of Directors at their meeting held on 07 March 2022 approved the purchase of the business of Sri Krishna Milks Private Limited, a milk and milk products Company, through slump purchase arrangement on a Going Concern basis. Pursuant to the approval of the Board of Directors, the Company executed a Business Transfer Agreement ("BTA") on 18 March 2022 for purchase of business at a consideration of ₹ 500 (subject to certain transaction adjustments). As on 31 March 2022, the Company has given advance of ₹ 300 against the purchase of said business. Subsequent to the year end, the Company completed the purchase of business on 12 April 2022.

### Note 41: Earnings per share ('EPS')

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Earnings</b>		
Profit attributable to equity shareholders (A)	1,366.17	1,083.94
Weighted average number of equity shares outstanding during the year (B)	59,211,081	56,042,617
Effect of potential equity shares on employee stock options outstanding	513,468	360,576
Weighted average number of potential equity shares outstanding during the year for the purpose of computing Diluted Earnings Per Share (C)	59,724,549	56,403,193
Basic earnings per share of face value of ₹10 (A/B)	23.07	19.34
Diluted earnings per share of face value of ₹10 (A/C)	22.87	19.22

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 42: Related party transactions

As per the Indian Accounting Standards - "Related Party Disclosures" (Ind AS 24) the following disclosures are made:

#### (i) Names of related parties and nature of relationship:

Nature of relationship	Name of the related party
<b>Entity exercising significant influence over the Company</b>	TPG Dodla Dairy Holdings Pte. Ltd.
<b>Subsidiaries (including step down subsidiaries)</b>	Dodla Holdings Pte. Limited
	Orgafeed Private Limited
	Lakeside Dairy Limited
	Dodla Dairy Kenya Limited
<b>Associate</b>	Global VetMed Concepts India Private Limited ('GVC')
<b>Key management personnel ('KMP')</b>	Mr. Sunil Reddy, Managing Director
	Mr. Sessa Reddy, Chairman
	Mr. B.V.K. Reddy, Chief Executive Officer (CEO)
	Mr. Hemanth Kundavaram, Chief Financial Officer (CFO) (till 31 December 2020)
	Mr. Anjaneyulu Ganji, Chief Financial Officer (CFO) (w.e.f. 25 January 2021)
	Mr. A. Madhusudhana Reddy, Whole-time Director
	Mr. Kishore Hiranand Mirchandani, Independent Director (till 21 January 2021)
	Mr. Raja Rathinam, Independent Director (w.e.f. 01 February 2021)
	Mr. Rampraveen Swaminathan, Independent Director
	Ms. Ponnaveolu Divya, Independent Director (till 31 December 2021)
	Mr. Tallam Puranam Raman, Independent Director
	Mr. Akshay Tanna, Nominee Director
	Ms. Vinoda Kailas (w.e.f. 20 January 2022)
	Mrs. Ruchita Malpani, Company Secretary and Compliance officer (till 31 August 2021)
	Mr. Surya Prakash Mungelkar, Company Secretary and Compliance officer (w.e.f. 22 October 2021)
<b>Relatives of KMP</b>	Mr. Sessa Reddy, Father of Mr. Sunil Reddy
	Mrs. Surekha Reddy, Sister of Mr. Sunil Reddy
	Mrs. Deepa Reddy, Wife of Mr. Sunil Reddy
	Ms. Shilpa Reddy, Daughter of Mr. Sunil Reddy
	Ms. Girija Reddy, Mother of Mr. Sunil Reddy
	Mr. Subba Reddy, Brother of Mr. Sunil Reddy
<b>Enterprise over which KMP have significant influence</b>	Dodla Dairy, Vinjimuru
	D Soft India Private Limited
	Surekha Milk Chilling Centre
	Tropical Bovine Genetics Private Limited
	Hanslot Pile Foundation (till 09 September 2021)
	Mylktree Consultants LLP
	Dodla Family Trust
	Dodla Nutri Feeds LLP
	Dodla Foundation

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### (ii) Details of transactions with the above related parties:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Lease rent paid</b>		
- Dodla Dairy, Vinjimuru	1.20	1.20
- Surekha Milk Chilling Centre	1.00	0.96
- Hanslot Pile Foundation	0.33	0.30
<b>Rent paid</b>		
- Dodla Nutri Feeds LLP	-	0.19
<b>Sale of Raw material</b>		
- Dodla Nutri Feeds LLP	0.13	-
<b>Software maintenance expenses</b>		
- D Soft India Private Limited	-	0.60
<b>Remuneration paid to Key Managerial Personnel (refer note b)</b>		
- Short-term employee benefits	71.54	72.56
- Post employment benefits	3.58	3.16
<b>Sitting fees</b>		
- Mr. Kishore Hiranand Mirchandani	-	0.30
- Mr. Rampraveen Swaminathan	1.20	1.10
- Ms. Ponnnavolu Divya	0.30	0.50
- Mr. Tallam Puranam Raman	0.60	0.50
- Ms. Vinoda Kailas	0.10	-
- Mr. Raja Rathinam	0.60	0.14
<b>Purchase of raw material</b>		
- GVC	9.57	9.82
<b>Consultancy income</b>		
- Orgafeed Private Limited	0.58	0.53
- Dodla Dairy Kenya Limited	0.50	0.41
- Lakeside Dairy Limited	1.42	1.29
- Dodla Holdings Pte. Ltd	0.06	0.06
<b>Sale of Asset</b>		
- Orgafeed Private Limited*	-	0.00
<b>Dividend received</b>		
- Dodla Holdings Pte. Limited	169.12	-
<b>Expenditure incurred on behalf of</b>		
- GVC	3.22	6.44
- Orgafeed Private Limited	0.01	0.05
- Lakeside Dairy Limited	0.16	0.49
- Dodla Dairy Kenya Limited	0.57	0.18
<b>Consultancy expense</b>		
- Mr. Sessa Reddy	3.90	3.68
- Ms. Shilpa Reddy	0.90	0.90
<b>Lease rent received</b>		
- Orgafeed Private Limited	0.14	0.12
<b>Interest income</b>		
- Orgafeed Private Limited	16.09	17.98

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 42: Related party transactions

#### (ii) Details of transactions with the above related parties: (continued)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Purchase of goods</b>		
- Tropical Bovine Genetics Private Limited	0.99	1.39
- Orgafeed Private Limited	417.83	217.65
<b>Corporate social responsibility expenditure incurred</b>		
- Dodla Foundation	6.40	12.15

\* Below rounding off norm adopted by the company. The actual amounts in ₹ are:

Sale of asset - ₹ 2.

#### (iii) Balances with related parties:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Other current and non-current assets</b>		
- GVC – Other advances	35.04	41.40
- GVC – Provision for doubtful advances	(35.04)	(41.40)
- Dodla Nutri Feeds LLP	0.02	
- Orgafeed Private Limited – Accrued income	0.58	0.53
- Dodla Dairy Kenya Limited – Accrued income	0.50	0.41
- Lakeside Dairy Limited – Accrued income	1.42	1.16
- Dodla Holdings Pte. Ltd – Accrued income	0.06	0.06
- Orgafeed Private Limited – Loan	170.51	187.01
- Orgafeed Private Limited**	0.00	-
- Mr. B.V.K. Reddy – Advance given against salary, net	-	1.31
- Mr. A. Madhusudhana Reddy – Advance given against salary, net	-	0.13
- Lakeside Dairy Limited – Other advances	0.02	-
- Dodla Dairy Kenya Limited – Other advances	0.43	0.18
<b>Other financial liabilities and trade payables</b>		
- Tropical Bovine Genetics Private Limited	0.06	0.25
- Dodla Dairy, Vinjimuru	0.10	0.10
- Dodla Dairy Kenya Limited	-	0.08
- Hanslot Pile Foundation	0.02	0.02

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
- Lakeside Dairy Limited	-	0.09
- Surekha Milk Chilling Centre	0.08	0.08
- D Soft India Private Limited	-	0.05
- Orgafeed Private Limited	7.44	7.83
- Ms. Shilpa Reddy – Consultancy fees payable	-	0.08
- Mr. Sessa Reddy – Consultancy fees payable	-	0.33
- Mr. Sunil Reddy – Remuneration payable, net	-	0.84
- Mr. A. Madhusudhana Reddy – Remuneration payable, net	-	0.14
- Mr. Anjaneyulu Ganji – Remuneration payable, net	-	0.46

\*\* Below rounding off norm adopted by the Company. The actual amounts in ₹ are:

Amount receivable from Orgafeed Private Limited - ₹ 4,490

Notes:

- The borrowings of the Company are secured by personal guarantees given by the director of the Company, Mr. Sunil Reddy as detailed in note 20 and 24.
- As the future liabilities for gratuity and leave encashment is provided on an actuarial basis and payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above. Share-based compensation expense allocable to key management personnel ₹ 0.69 (31 March 2021: ₹ 3.42) is also not included in the remuneration disclosed above.
- All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

### Note 43: Segment reporting

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segment are presented in these standalone financial statements.

### Note 44: Loans or advances to specified persons

There are no Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013,) either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 45: Financial instruments - fair values and risk management

#### Accounting classification and fair values

Financial instruments by category	As at 31 March 2022		As at 31 March 2021		Fair value level
	Amortised cost	FVTPL	Amortised cost	FVTPL	
<b>Financial assets</b>					
Investments in mutual funds (refer note (a) below)	-	473.99	-	604.28	Level 1
Investment in debentures, bonds and commercial papers	1,369.51	-	-	-	-
Trade receivables	47.43	-	48.77	-	-
Cash and cash equivalents	553.28	-	881.95	-	-
Bank balances other than above	50.34	-	717.47	-	-
Non-current loans receivable	143.01	-	165.01	-	-
Current loans receivable	32.27	-	56.66	-	-
Other non-current financial assets	123.35	-	97.23	-	-
Other current financial assets	54.25	-	4.53	-	-
<b>Total financial assets</b>	<b>2,373.44</b>	<b>473.99</b>	<b>1,971.62</b>	<b>604.28</b>	
<b>Financial liabilities</b>					
Borrowings (current and non-current)	-	-	869.16	-	-
Lease liabilities	128.02	-	114.99	-	-
Trade payables	904.32	-	814.05	-	-
Interest accrued but not due on borrowings	-	-	2.54	-	-
Capital creditors	28.52	-	43.16	-	-
Employee payables	62.83	-	114.73	-	-
Other payable	3.68	-	-	-	-
Security deposits	245.28	-	204.87	-	-
<b>Total financial liabilities</b>	<b>1,372.65</b>	<b>-</b>	<b>2,163.50</b>	<b>-</b>	

#### Measurement of fair values

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature.

- (a) The fair valuation of investments in mutual funds is classified as level 1 in the fair value hierarchy as they are determined based on their quoted prices.

#### Fair value method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### A. Financial assets

1. The Company has not disclosed the fair values for trade receivables, cash and cash equivalents including other bank balances, loans receivable, and other financial assets because the carrying amounts are a reasonable approximation of the fair values.
2. Investment in mutual funds: Fair value of quoted mutual funds units is based on quoted market price at the reporting date.

### B. Financial liabilities

1. Non-convertible debentures: The fair values of the Company's interest bearing debentures are determined by using Discounted cash flow ("DCF") method using discount rate that reflects the issuer's coupon rate as at the end of the reporting period. The Company has not disclosed the fair values because its carrying amount is a reasonable approximation of its fair value.
2. Borrowings: It includes term loans from banks, cash credit and overdraft facilities and working capital loans. These borrowings are classified and subsequently measured in the standalone financial statements at amortised cost. Considering that the interest rate on the loan is reset on a monthly/ quarterly/ half yearly/ yearly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.
3. Lease liabilities: The fair values of the Company's lease liabilities are determined by discounting the future cashflows at discount rate that reflects the incremental borrowing rate of the Company. The Company has not disclosed the fair value because its carrying amount is a reasonable approximation of its fair value.
4. Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the carrying values.

### Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below.

#### 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 loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### Trade and other receivables

Credit risk is managed by Head (Sales) of the Company. Usually, the business is carried on cash and carry basis. However, for institutional customers credit is provided after a detailed background check and credit analysis.

The accounts receivable team along with sales team will evaluate all new customers to determine payment terms and methods to be required, and what level of credit will be established. The accounts receivable team and sales team will also periodically review and re-evaluate payment terms and credit lines of existing customers and to support new customer requirements, and do manage risk as financial and business conditions change.

Majority of milk customers are un-registered and multi brand sellers. Billing transaction takes all the 365 days in a year. The credit allowed is monitored as per the approved limits.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The default in collection as a percentage to total receivable is low. Refer below for the expected credit loss for trade receivables.

### Reconciliation of expected credit loss- trade receivables

	Amount
<b>Expected credit loss on 01 April 2020</b>	(1.93)
Changes in loss allowance	(0.40)
<b>Expected credit loss on 31 March 2021</b>	<b>(2.33)</b>
Changes in loss allowance	2.30
<b>Expected credit loss on 31 March 2022</b>	<b>(0.03)</b>

### Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

### 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's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, process and policies related to such risks are overseen by the senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	As at 31 March 2022				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
<b>Financial liabilities</b>					
Trade payables	904.32	904.32	904.32	-	-
Lease liabilities	128.02	183.30	29.47	26.52	127.31
Other financial liabilities	340.31	340.31	340.31	-	-
	<b>1,372.65</b>	<b>1,427.93</b>	<b>1,274.10</b>	<b>26.52</b>	<b>127.31</b>

Particulars	As at 31 March 2021				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
<b>Financial liabilities</b>					
Trade payables	814.05	814.05	814.05	-	-
Borrowings	869.16	1,024.59	342.06	219.35	463.18
Lease liabilities	114.99	169.21	27.22	24.30	117.69
Other financial liabilities	365.30	365.30	365.30	-	-
	<b>2,163.50</b>	<b>2,373.15</b>	<b>1,548.63</b>	<b>243.65</b>	<b>580.87</b>

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### 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.

### Interest risk

The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which exposes the company to cash flow interest rate risk. The Company also has variable interest deposit receivable which mitigate the interest rate risk on payables.

The exposure of the Company to interest rate changes at the end of the reporting period are as follows:

	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	-	366.01
<b>Total</b>	<b>-</b>	<b>366.01</b>

### Sensitivity

The profit or loss is sensitive to higher/ lower interest expense and interest income as a result of changes in interest rates.

Impact on profit after tax	As at 31 March 2022	As at 31 March 2021
Interest rate - increases by 50 basis points	-	(1.83)
Interest rate - decreases by 50 basis points	-	1.83

### Currency risk

The Company has no material foreign exchange exposure as at 31 March 2021 and 31 March 2022.

## Note 46: Capital management

### (a) Risk management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### (b) Dividends

During the year, no interim dividend has been declared by the Company (31 March 2021: Nil). Further, the Board of Directors of the Company has not proposed any final dividend (31 March 2021 : Nil).

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

**Note 47:** During the year ended 31 March 2022, no material foreseeable losses (year ended 31 March 2021: Nil) was incurred for any long-term contract including derivative contracts.

**Note 48: Disclosures pertaining to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013**

**(a) The Company has made investment in the following Companies:**

Entity	As at 31 March 2021	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2022
<b>Investment in equity instruments</b>					
Orgafeed Private Limited	30.00	-	-	-	30.00
Global VetMed Concepts India Private Limited	38.67	-	-	(38.67)	-
Dodla Holdings Pte. Limited	407.84	-	-	-	407.84

Entity	As at 31 March 2020	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2021
<b>Investment in equity instruments</b>					
Orgafeed Private Limited	30.00	-	-	-	30.00
Global VetMed Concepts India Private Limited	38.67	-	-	(38.67)	-
Dodla Holdings Pte. Limited	407.84	-	-	-	407.84

**(b) The Company has given unsecured interest bearing loans to its following subsidiary:**

Pursuant to incorporation of a subsidiary Orgafeed Private Limited in the earlier year, the Board has approved an unsecured loan to Orgafeed Private Limited, carrying an interest rate of 9% p.a. The repayment of the loan had commenced from the financial year 2020-21 and is repayable in next 31 equal quarterly installments. The loan was given for the general business purpose. During the year, the Company has extended the repayment of installment amounting to ₹ 5.50 due on 31 March 2022 till 30 June 2022. Subsequent to the year end, the Company has received the said amount on 20 April 2022.

Entity	As at 31 March 2021	Given during the year	Repaid during the year	As at 31 March 2022	Maximum balance outstanding during the year
Orgafeed Private Limited	187.01	-	(16.50)	170.51	187.01

Entity	As at 31 March 2020	Given during the year	Repaid during the year	As at 31 March 2021	Maximum balance outstanding during the year
Orgafeed Private Limited	198.01	10.00	(21.00)	187.01	208.01

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 49: Leases - In the capacity of lessor

The following tables summarise the movement in lease liabilities:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	114.99	94.55
Additions	35.21	39.60
Interest expenses	11.42	8.99
Deletions	(2.91)	(3.60)
Payment of lease liabilities	(30.69)	(24.55)
<b>Balance at the end</b>	<b>128.02</b>	<b>114.99</b>

As at balance sheet date, the Company is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

	As at 31 March 2022	As at 31 March 2021
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	29.47	27.22
One to two years	26.52	24.30
More than two years	127.31	117.69
<b>Total</b>	<b>183.30</b>	<b>169.21</b>

	As at 31 March 2022	As at 31 March 2021
<b>Lease liabilities included in the balance sheet</b>		
Current	29.70	16.81
Non-current	98.32	98.18
<b>Total</b>	<b>128.02</b>	<b>114.99</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company has incurred following expenses relating to short-term leases for which the recognition exemption has been applied. (Refer note 37).

	For the year ended 31 March 2022	For the year ended 31 March 2021
Expenses relating to short term leases (Refer note 37)	49.19	41.05
Expenses relating to low value leases	-	-

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

The following are the amounts recognised in standalone statement of profit and loss

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Right-of-use assets	23.22	19.78
Interest expenses	11.42	9.00
	<b>34.64</b>	<b>28.78</b>
<b>Amounts recognised in Statement of Cashflows</b>		
Payment of lease liabilities	30.69	24.55
	<b>30.69</b>	<b>24.55</b>

### Note 50: Analytical Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% variance	Reason for variance*
Current Ratio	Current Assets	Current Liabilities	1.89	1.75	7.78%	
Debt - Equity Ratio	Total Debt	Shareholder's Equity	-	0.14	-100.00%	Decrease is on account of total repayment of term loans and debentures outstanding
Debt service coverage Ratio	Earnings available for debt service	Debt Service	16.89	3.37	401.19%	Decrease is on account of total repayment of term loans and debentures outstanding
Return on Equity (ROE)	Net Profits after taxes	Shareholder's Equity	17.35%	17.94%	-3.28%	
Inventory Turnover Ratio	Cost of goods sold or sales	Closing Inventory	14.21	15.20	-6.54%	
Trade Receivables turnover Ratio	Net credit sales	Closing Trade Receivable	442.04	376.65	17.36%	
Trade payables turnover Ratio	Net Credit Purchases	Closing Trade Payables	17.24	15.62	10.35%	
Net Capital turnover Ratio	Net sales	Working capital	13.99	13.10	6.85%	
Net profit Ratio	Net Profit	Net Sales	6.52%	5.90%	10.43%	
Return on capital employed	Earning before interest and taxes	Capital Employed	19.90%	23%	-13.43%	
Return on investment (Mutual Funds)	Realised / Unrealised gain on investment	Purchase cost	3.59%	-	NA	No investments in mutual funds, Bonds and debentures during the previous year
Return on investment (Bonds and Debentures)	Realised / Unrealised gain on investment	Purchase cost	7.87%	-	NA	
Return on investment (Structured debentures)	Realised / Unrealised gain on investment	Purchase cost	-	10.76%	NA	No investment in structured debentures during the current year

\* Reason for variance is given for ratios having % change more than 25%.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

**Note 51:** During the year, the Company has completed Initial Public Offering of upto 12,153,668 Equity Shares of face value of ₹ 10 each of Dodla Dairy Limited for cash at a price of ₹ 428 per equity share (including a share premium of ₹ 418 per equity share) aggregating upto ₹ 5,201.77, consisting of fresh issue of 1,168,224 equity shares aggregating to ₹ 500 and an offer for sale of 10,985,444 equity shares aggregating to ₹ 4,701.77 by the selling share holders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f 28 June 2021.

The Company has received gross amount of ₹ 500.00 from proceeds out of fresh issue of Equity Shares. The utilization of IPO proceeds out of fresh issue is summarized below:

(₹ in Millions)

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to 31 March 2022	Unutilised amount as on 31 March 2022
Repayment and/ or pre-payment, in full or part, of certain borrowings availed by our Company from ICICI Bank Limited, the Hongkong and Shanghai Banking Corporation Limited and HDFC Bank Limited	322.64	322.64	-
Funding incremental capital expenditure requirements of our Company	71.51	71.51	-
General corporate purposes	105.85	105.85	-

### Note 52: Benami property

There are no proceeding initiated or pending against the Company as at 31 March 2022, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

### Note 53: Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

### Note 54: Undisclosed incomes

The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**Note 55:** 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### Note 56: Struck off companies

The Company has not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

## Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 57: Impact of COVID-19

The Company has considered internal and external sources of information up to the date of approval of the above financial statements in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, goodwill, intangible assets, inventories, receivables, investments and other financial assets. The Company has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Company is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of the above financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

As per our Report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration no: 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

Partner

Membership number : 066380

Place: Hyderabad

Date: 16 May 2022

*for and on behalf of the Board of Directors of*

**Dodla Dairy Limited**

CIN: L15209TG1995PLC020324

Sd/-

**D. Sesha Reddy**

Chairman

DIN: 00520448

Place: Chennai

Date: 16 May 2022

Sd/-

**D. Sunil Reddy**

Managing Director

DIN: 00794889

Place: Colorado

Sd/-

**Anjaneyulu Ganji**

Chief Financial Officer

Place: Hyderabad

Sd/-

**B.V.K. Reddy**

Chief Executive Officer

Place: Hyderabad

Sd/-

**Surya Prakash Mungelkar**

Company Secretary

M. No. A31877

Place: Hyderabad

# INDEPENDENT AUDITORS' REPORT

## To the Members of Dodla Dairy Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Dodla Dairy Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associate as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associate as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue recognition See note 3(h) and note 30 to the standalone financial statements

##### The key audit matter

Revenue from sale of milk and milk products is recognised when control of the items sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms. The management has pressure to achieve the targets of revenue and profit before tax to achieve performance targets at the reporting period end.

##### How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence:

- Assessed the appropriateness of the revenue recognition accounting policies, with the applicable accounting standards.
- We evaluated the design and implementation of key internal financial controls with respect to existence and completeness of revenue recognition and tested operating effectiveness of such controls on selected transactions including cash transactions.

Further, significant amount of the revenue from sale of milk is recognised through cash sales. There is a risk of revenue being understated due to opportunity for misappropriation of cash balances.

Since, significant amounts are involved and because of aforesaid considerations, existence and completeness of revenue recognition from sale of goods is determined to be a key audit matter.

- Tested the completeness and existence of revenue by performing reconciliation of Cash and Debtors to Sales recognised during the year and reconciliation of quantity produced and sold during the year. We also performed cash count as at the end of the year for selected locations and examined whether cash balances are in agreement with underlying records.
- Performed substantive testing, by using statistical sampling, of revenue transactions recorded during the year by testing the underlying documents which inter-alia includes trip sheets, invoices for testing the existence of revenue.
- Tested manual journal entries on revenue recognised during the year, selected considering specific risk-based criteria, to identify unusual transactions.

### **Impairment of goodwill ('Intangible') See note 3(b) and note 6 to the standalone financial statements**

#### **The key audit matter**

The carrying value of Goodwill recognised in the books of Holding company aggregates to INR 359.37 million as at 31 March 2022. Goodwill is tested for impairment when there is a trigger or at least annually. The Group performs such assessment of Goodwill for each cash generating unit (CGU) to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been determined using discounted cash flow models. These models use several key assumptions, including estimates of future sales volumes, prices, operational costs, terminal value growth rates and the discount rate.

Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the asset, impairment assessment of Goodwill recognised in the books of Holding company has been considered as a key audit matter.

#### **How the matter was addressed in our audit**

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence:

- Assessed the compliance of accounting policy for impairment of goodwill with the relevant accounting standard.
- Evaluated the design and implementation of key internal financial controls of the Company with respect to the impairment assessment of Goodwill and tested operating effectiveness of such controls.
- Tested budgeting procedures upon which the cash flow forecasts were based. We have also compared the actual past performances with the budgeted figures.
- Involved our internal valuation specialists to assist us in evaluating the key assumptions and methodology used by the Company, in particular, those relating to the forecast of the revenue growth, profit margins and discount rate. With the involvement of our internal valuation specialists we also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, industry trends, cost inflation and discount rates.
- Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment; and Assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities relating to impairment of Goodwill.

## Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 consolidated 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,591 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 2,783 million and net cash inflows (before consolidation adjustments) amounting to ₹ 186 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ Nil for the year ended 31 March 2022, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries

located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

### **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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding

Company and the reports of the statutory auditors of its subsidiary company and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and associate company incorporated in India 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate, as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its associate. Refer Note 39 to the consolidated financial statements.
  - b) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
  - c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company and associate company incorporated in India during the year ended 31 March 2022.
  - d) (i) The management of the Holding Company has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”); or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding company has represented that, to the best of its knowledge and belief, as disclosed in the Note 55 to the accounts, no funds have been received by the Holding Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding 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 performed by us, 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) contain any material mis-statement.

- e) The Holding Company, its subsidiary company and associate company incorporated in India have neither declared nor paid any dividend during the year.
- 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 and based on the reports of the statutory auditors of such subsidiary company and associate company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and associate company 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 & Associates LLP**  
Chartered Accountants

ICAI Firm's Registration No.: 116231W/ W-100024

Sd/-  
**Sulabh Kumar Kedia**  
Partner

Place: Hyderabad  
Date: 16 May 2022

Membership No.: 066380  
UDIN: 22066380AJBNHJ3670

## Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Dodla Dairy Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in Paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the Members of Dodla Dairy Limited ("the Company") on the Consolidated financial statements for the year ended 31 March 2022, we report that:

xxi. In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has unfavourable remark given by the auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary/ Associate	Clause number of the CARO report which is unfavourable
01	Dodla Dairy Limited	L15209TG1995PLC020324	Holding company	Clause ii (b)

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm's Registration No.: 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

Partner

Membership No.: 066380

UDIN: 22066380AJBNHJ3670

Place: Hyderabad  
Date: 16 May 2022

# **Annexure B to the Independent Auditors' report on the Consolidated Financial Statements of Dodla Dairy Limited for the year ended 31 March 2022**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

## **Opinion**

In conjunction with our audit of the consolidated financial statements of Dodla Dairy Limited (hereinafter referred to as "the Company" or "the Holding company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Company and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial

information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial

statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

for **B S R & Associates LLP**

*Chartered Accountants*

ICAI Firm's Registration No.: 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

*Partner*

Place: Hyderabad

Date: 16 May 2022

Membership No.: 066380

UDIN: 22066380AJBNHJ3670

# Consolidated Balance Sheet

(All amount are in rupees millions, unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	5,151.99	4,955.75
Capital work-in-progress	5	40.96	82.83
Goodwill	6	441.70	441.70
Other intangible assets	6	43.13	65.01
Biological assets other than bearer plants			
(i) Matured biological assets	7	16.02	18.65
(ii) Immatured biological assets	7	5.94	8.32
Financial assets			
(i) Investments	8	558.47	-
(ii) Loans	9	-	-
(iii) Other financial assets	16	125.40	99.11
Other tax assets		25.50	19.60
Deferred tax assets (net)	21	0.34	0.74
Other non-current assets	10	444.14	11.66
<b>Total non-current assets</b>		<b>6,853.59</b>	<b>5,703.37</b>
<b>Current assets</b>			
Inventories	11	1,209.85	961.72
Financial assets			
(i) Investments	12	1,285.03	604.28
(ii) Trade receivables	13	47.65	48.88
(iii) Cash and cash equivalents	14 (a)	1,098.94	1,241.44
(iv) Bank balances other than (iii) above	14 (b)	219.55	1,003.04
(v) Loans	15	4.77	34.66
(vi) Other financial assets	16	53.55	4.37
Other current assets	17	111.46	120.69
<b>Total current assets</b>		<b>4,030.80</b>	<b>4,019.08</b>
<b>Total assets</b>		<b>10,884.39</b>	<b>9,722.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	594.93	583.25
Other equity	19	7,836.68	5,996.45
<b>Equity attributable to owners of the Company</b>		<b>8,431.61</b>	<b>6,579.70</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>8,431.61</b>	<b>6,579.70</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	-	529.67
(i a) Lease liabilities		98.32	99.37
Provisions	23	108.75	87.55
Deferred tax liabilities (net)	21	345.93	454.70
Government grants	22	22.64	25.55
<b>Total non-current liabilities</b>		<b>575.64</b>	<b>1,196.84</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	24	-	339.49
(i a) Lease liabilities		30.41	17.62
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	25	21.02	13.49
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	25	1,008.07	851.22
(iii) Other financial liabilities	26	345.47	385.42
Other current liabilities	29	132.19	65.18
Government grants	22	2.91	2.91
Provisions	27	137.24	111.80
Current tax liabilities (net)		199.83	158.78
<b>Total current liabilities</b>		<b>1,877.14</b>	<b>1,945.91</b>
<b>Total liabilities</b>		<b>2,452.78</b>	<b>3,142.75</b>
<b>Total equity and liabilities</b>		<b>10,884.39</b>	<b>9,722.45</b>

Significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date attached

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration no: 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

Partner

Membership number : 066380

Place: Hyderabad

Date: 16 May 2022

for and on behalf of the Board of Directors of

**Dodla Dairy Limited**

CIN: L15209TG1995PLC020324

Sd/-

**D. Seshu Reddy**

Chairman

DIN: 00520448

Place: Chennai

Date: 16 May 2022

Sd/-

**D. Sunil Reddy**

Managing Director

DIN: 00794889

Place: Colorado

Sd/-

**Anjaneyulu Ganji**

Chief Financial Officer

Place: Hyderabad

Sd/-

**B.V.K. Reddy**

Chief Executive Officer

Place: Hyderabad

Sd/-

**Surya Prakash Mungelkar**

Company Secretary

M. No. A31877

Place: Hyderabad

## Consolidated Statement of Profit and Loss

(All amount are in rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	30	22,433.51	19,440.06
Other income	31	137.03	63.68
<b>Total income</b>		<b>22,570.54</b>	<b>19,503.74</b>
<b>Expenses</b>			
Cost of materials consumed	32	16,273.74	13,662.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(12.05)	(152.68)
Employee benefits expense	34	1,024.16	897.99
Finance costs	35	65.18	118.92
Depreciation and amortisation expense	36	523.53	507.27
Other expenses	37	3,040.38	2,608.08
<b>Total expenses</b>		<b>20,914.94</b>	<b>17,641.58</b>
<b>Profit before tax</b>		<b>1,655.60</b>	<b>1,862.16</b>
<b>Tax expense</b>			
- Current tax	38	434.61	515.25
- Deferred tax	38	(107.14)	87.21
<b>Total tax expense</b>		<b>327.47</b>	<b>602.46</b>
<b>Profit for the year (A)</b>		<b>1,328.13</b>	<b>1,259.70</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences in translating financial statements of foreign operations		58.58	(3.75)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of the net defined benefit obligation		(4.88)	5.23
Income tax relating to these items	38	1.23	(1.83)
<b>Other comprehensive income for the year, net of Income tax (B)</b>		<b>54.93</b>	<b>(0.35)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,383.06</b>	<b>1,259.35</b>
<b>Profit attributable to:</b>			
Owners of the Company		1,328.13	1,259.70
Non-controlling interest		-	-
<b>Profit for the year</b>		<b>1,328.13</b>	<b>1,259.70</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		54.93	(0.35)
Non-controlling interest		-	-
<b>Other comprehensive income for the year</b>		<b>54.93</b>	<b>(0.35)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		1,383.06	1,259.35
Non-controlling interest		-	-
<b>Total comprehensive income for the year</b>		<b>1,383.06</b>	<b>1,259.35</b>
<b>Earnings per share (nominal value of equity shares of ₹ 10 each, fully paid-up)</b>	41		
Basic [in ₹]		22.43	22.48
Diluted [in ₹]		22.24	22.33
Weighted average number of equity shares used in computing earnings per share:			
-Basic		59,211,081	56,042,617
-Diluted		59,724,549	56,403,193

Significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration no: 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

Partner

Membership number : 066380

for and on behalf of the Board of Directors of

**Dodla Dairy Limited**

CIN: L15209TG1995PLC020324

Sd/-

**D. Seshu Reddy**

Chairman

DIN: 00520448

Place: Chennai

Sd/-

**D. Sunil Reddy**

Managing Director

DIN: 00794889

Place: Colorado

Sd/-

**B.V.K. Reddy**

Chief Executive Officer

Place: Hyderabad

Sd/-

**Anjaneyulu Ganji**

Chief Financial Officer

Place: Hyderabad

Sd/-

**Surya Prakash Mungelkar**

Company Secretary

M. No. A31877

Place: Hyderabad

Place: Hyderabad

Date: 16 May 2022

Date: 16 May 2022

# Consolidated Statement of Changes in Equity

(All amount are in rupees millions, unless otherwise stated)

Particulars	Equity share capital	Other equity Reserves and surplus					Share options outstanding account	Retained earnings	Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve						
<b>Balance as at 01 April 2020</b>	<b>556.72</b>	<b>12.00</b>	<b>568.28</b>	<b>16.16</b>	<b>1.50</b>	<b>26.56</b>	<b>3,153.74</b>	<b>4,334.96</b>	-	<b>4,334.96</b>	
Change in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	
<b>Restated balance at the beginning of the current reporting period</b>	<b>556.72</b>	<b>12.00</b>	<b>568.28</b>	<b>16.16</b>	<b>1.50</b>	<b>26.56</b>	<b>3,153.74</b>	<b>4,334.96</b>	-	<b>4,334.96</b>	
Issue of shares	26.53	-	973.47	-	-	-	-	1,000.00	-	1,000.00	
Share issue expenses	-	-	(18.03)	-	-	-	-	(18.03)	-	(18.03)	
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	-	1,259.70	1,259.70	-	1,259.70	
Employee share based payment expense	-	-	-	-	-	3.42	-	3.42	-	3.42	
Exchange differences in translating financial statements of foreign operations	-	-	-	-	(3.75)	-	-	(3.75)	-	(3.75)	
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	-	3.40	3.40	-	3.40	
Transfer to debenture redemption reserve	-	-	-	34.61	-	-	(34.61)	-	-	-	
<b>Balance as at 31 March 2021</b>	<b>583.25</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>(2.25)</b>	<b>29.98</b>	<b>4,382.23</b>	<b>6,579.70</b>	-	<b>6,579.70</b>	

Particulars	Equity share capital	Other equity Reserves and surplus					Share options outstanding account	Retained earnings	Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve						
<b>Balance as at 01 April 2021</b>	<b>583.25</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>(2.25)</b>	<b>29.98</b>	<b>4,382.23</b>	<b>6,579.70</b>	-	<b>6,579.70</b>	
Change in equity share capital due to prior period errors	-	-	-	-	-	-	-	-	-	-	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	
<b>Restated balance at the beginning of the current reporting period</b>	<b>583.25</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>(2.25)</b>	<b>29.98</b>	<b>4,382.23</b>	<b>6,579.70</b>	-	<b>6,579.70</b>	
Issue of shares	11.68	-	488.32	-	-	-	-	500.00	-	500.00	
Share issue expenses	-	-	(31.84)	-	-	-	-	(31.84)	-	(31.84)	
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	-	1,328.13	1,328.13	-	1,328.13	
Employee share based payment expense	-	-	-	-	-	0.69	-	0.69	-	0.69	
Exchange differences in translating financial statements of foreign operations	-	-	-	-	58.58	-	-	58.58	-	58.58	
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	-	(3.65)	(3.65)	-	(3.65)	
Transfer to Retained earnings	-	-	-	(50.77)	-	-	50.77	-	-	-	
<b>Balance as at 31 March 2022</b>	<b>594.93</b>	<b>12.00</b>	<b>1,980.20</b>	<b>-</b>	<b>56.33</b>	<b>30.67</b>	<b>5,757.48</b>	<b>8,431.61</b>	-	<b>8,431.61</b>	

As per our Report of even date attached

**for B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration no: 116231W/ W-100024

Sd/-  
**Sulabh Kumar Kedia**  
Partner  
Membership number : 066380

Place: Hyderabad  
Date: 16 May 2022

*for and on behalf of the Board of Directors of*  
**Dodla Dairy Limited**  
CIN: L15209TG1995PLC020324

Sd/-  
**D. Seshu Reddy**  
Chairman  
DIN: 00520448  
Place: Chennai

Date: 16 May 2022

Sd/-  
**D. Sunil Reddy**  
Managing Director  
DIN: 00794889  
Place: Colorado

Sd/-  
**Anjaneyulu Ganji**  
Chief Financial Officer

Place: Hyderabad

Sd/-  
**B.V.K. Reddy**  
Chief Executive Officer

Place: Hyderabad

Sd/-  
**Surya Prakash Mungelkar**  
Company Secretary  
M. No. A31877

Place: Hyderabad

## Consolidated Statement of Cash Flows

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flows from operating activities</b>		
Profit before tax	1,655.60	1,862.16
Adjustments for:		
Depreciation and amortisation expense	523.53	507.27
Changes in fair valuation of biological assets	(2.04)	(9.22)
Loss on sale/ retirement of property, plant and equipment, net	2.08	3.80
Loss on sale/ discard of biological assets, net	3.53	4.31
Interest income	(67.65)	(30.53)
Finance costs	65.18	118.92
Employee share based payment expense	0.69	3.42
Profit on sale of current investments in mutual fund, net	(24.52)	(0.57)
Fair value loss on financial assets measured at fair value through profit and loss, net	(17.18)	(3.43)
Provision for impairment of receivables, advances and other assets, net	10.11	1.70
Government grant income	(2.91)	(2.88)
	<b>2,146.42</b>	<b>2,454.95</b>
<b>Change in operating assets and liabilities</b>		
Decrease in trade receivables	6.84	18.08
(Increase)/Decrease in inventories	(244.24)	238.92
Increase in loans and other financial assets	(53.12)	(1.19)
Decrease in other current and non-current assets	10.76	10.37
Increase in trade payables and other financial liabilities	135.39	144.85
Increase in employee benefits obligation	41.76	81.71
Increase in other current and non-current liabilities	67.01	12.17
<b>Cash generated from operations</b>	<b>2,110.82</b>	<b>2,959.86</b>
Income taxes paid, net	(399.46)	(509.24)
<b>Net cash generated from operating activities</b>	<b>1,711.36</b>	<b>2,450.62</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(717.52)	(573.46)
Proceeds from sale of property, plant and equipment	2.85	11.08
Proceeds from sale of biological assets	10.58	3.38
Purchase of investments	(5,493.04)	(550.00)
Advance paid for acquisition of business	(300.00)	-
Proceeds from sale of investments	4,295.52	68.36
Interest received	44.37	33.39
Deposits (placed)/ redeemed (having original maturity of more than three months), net	773.81	(993.91)
<b>Net cash used in investing activities</b>	<b>(1,383.43)</b>	<b>(2,001.16)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(869.16)	(231.39)
Payment of short term borrowings, net	-	(400.00)
Issue of Shares	500.00	1,000.00
Share issue expenses	(31.84)	(18.03)
Payment of dividend	-	(107.49)
Repayment of lease liabilities	(20.06)	(16.58)
Interest on lease liabilities	(11.68)	(8.57)
Finance costs paid	(56.04)	(109.47)
<b>Net cash generated from/(used in) financing activities</b>	<b>(488.78)</b>	<b>108.47</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(160.85)</b>	<b>557.93</b>
Cash and cash equivalents at the beginning of the year	1,241.44	686.73
Effect of exchange rate fluctuations on cash held	18.35	(3.22)
<b>Cash and cash equivalents at end of the year</b>	<b>1,098.94</b>	<b>1,241.44</b>

## Consolidated Statement of Cash Flows (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note:

#### i. Cash and cash equivalents as per above comprise of the following:

	As at 31 March 2022	As at 31 March 2021
Cash on hand	13.09	17.40
Balances with banks		
-in current accounts	780.59	401.18
-in deposit accounts (with original maturity of less than three months)	305.26	822.86
<b>Balances as per statement of cash flows</b>	<b>1,098.94</b>	<b>1,241.44</b>

#### ii. Movement in financial liabilities

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Opening balance of borrowings</b>		
Non-current borrowings (including current maturities)	869.16	1,100.55
Current borrowings	-	400.00
Lease liabilities	116.99	97.14
Interest accrued but not due on borrowings	2.54	3.69
<b>Movement</b>		
Cash flows	(872.58)	(633.76)
Payment of lease liabilities	(31.74)	(25.15)
Interest expense	53.01	107.09
Interest on lease liabilities	11.68	8.57
Interest paid	(56.04)	(111.00)
Other non-cash movements		
- Addition to lease liabilities	35.21	40.03
- Borrowing cost amortisation	0.50	1.53
<b>Closing balance of borrowings</b>		
Non-current borrowings (including current maturities)	-	869.16
Current borrowings	-	-
Lease liabilities	128.73	116.99
Interest accrued but not due on borrowings	-	2.54

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date attached

**for B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration no: 116231W/ W-100024

Sd/-  
**Sulabh Kumar Kedia**  
Partner  
Membership number : 066380

Place: Hyderabad  
Date: 16 May 2022

*for and on behalf of the Board of Directors of*  
**Dodla Dairy Limited**  
CIN: L15209TG1995PLC020324

Sd/-  
**D. Seshu Reddy**  
Chairman  
DIN: 00520448  
Place: Chennai

Date: 16 May 2022

Sd/-  
**D. Sunil Reddy**  
Managing Director  
DIN: 00794889  
Place: Colorado

Sd/-  
**Anjaneyulu Ganji**  
Chief Financial Officer

Place: Hyderabad

Sd/-  
**B.V.K. Reddy**  
Chief Executive Officer  
Place: Hyderabad

Sd/-  
**Surya Prakash Mungelkar**  
Company Secretary  
M. No. A31877  
Place: Hyderabad

# Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

## 1 Reporting entity

Dodla Dairy Limited ('the Company' or 'the Holding Company') was incorporated on 15 May 1995. The Registered office of the Company is situated at 8-2-293/82/A/270-Q, Road No. 10-C, Jubilee hills, Hyderabad. These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the 'Group') and the Group's interest in associate. The Group is in the business of processing/ production of milk and production of milk products.

## 2 Basis of preparation

### A. Statement of compliance

a) These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) The consolidated financial statements were authorised for issue by the Company's Board of Directors on 16 May 2022.

c) Details of the Group's accounting policies are included in note 3.

### B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian Rupees have been rounded-off to two decimal places to the nearest lacs except share data or as otherwise stated.

### C. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Biological assets	Fair value less cost to sell
Shared based payment	Fair value
Lease liability	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.
Right-to-use asset	Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### D. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

#### *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 51 - leases: whether an arrangement contains a lease and lease classification.

#### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year financial statements is included in the following notes:

- Note 7 - determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 23 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 39 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment
- Note 6(i) - impairment of goodwill
- Note 46 - impairment of financial assets
- Note 51 - lease liabilities - measurement of incremental borrowing costs.

### E. Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

When measuring the fair value of an asset or a liability, Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability falls into the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 7 - Biological assets other than bearer plants
- Note 46 - Financial instruments
- Note 18(f) - Share based payment arrangement

### F. Current versus non-current classification

All assets and liabilities are classified into current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in Group's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Apart from the above, current assets also include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in Group's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the date.

Apart from the above, current liabilities also include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

**Operating cycle** - The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

### G. Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognised from the date that control ceases.

## Notes to Consolidated Financial Statements (continued)

**(All amount are in rupees millions, unless otherwise stated)**

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) *Non - controlling interests (NCI)*

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

(iv) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost which includes transaction costs and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

(v) *Transactions eliminated on consolidation*

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

(vi) Subsidiaries and associate companies considered in the consolidated financial statements:

Name of the Company	Country of incorporation	Ownership interest (in %)	Ownership interest (in %)
		As at 31 March 2022	As at 31 March 2021
Subsidiary companies:			
Dodla Holdings Pte Limited	Singapore	100.00	100.00
Lakeside Dairy Limited	Uganda	100.00	100.00
Dodla Dairy Kenya Limited	Kenya	99.90	99.90
Orgafeed Private Limited	India	99.99	99.99
Associates:			
Global VetMed Concepts Private Limited	India	47.94	47.94

(vii) Principles of consolidation

These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-company transactions.

### 3 Significant accounting policies

#### (a) Property, plant and equipment

##### i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

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

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

##### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

##### iii. Depreciation

Depreciation on tangible assets (other than for those class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful lives prescribed and in the manner laid down

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

under Schedule II to the Companies Act, 2013 and additions and deletions are restricted to the period of use. If the Management's estimate of the useful life of a property, plant and equipment is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of property, plant and equipment has been provided at the rates based on the following useful lives of property, plant and equipment as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013:

Asset*	Useful life
Laboratory equipment	3 years
Temporary Structures	1 year
Aluminium Cans	10 Years
Freezers and Coolers	3 years

\*for these class of assets, the Management believes, based on technical evaluation carried out by them internally, that the useful life as given above best represent the period over which the Management expects to use these assets. Hence, the useful life for these assets is different from the useful life as in Schedule II of the Act.

Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Depreciation on additions/ disposals is provided on a pro-rata basis, i.e., from/ upto the date on which asset is ready for use/ disposed off.

#### iv. Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

### (b) Intangible assets

For measurement of goodwill that arises on a business combination (see Note 3(k)). Subsequent measurement is at cost less any accumulated impairment losses, if any.

Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	3 years
Brands	5 years
Non-compete arrangements	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (c) Biological assets

Biological assets i.e. living animals, are measured at fair value less cost to sell. Costs to sell include the minimal transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred. The animals reared from conception (calf) and heifers are classified as 'immatured biological assets' until the animals become productive. All the productive animals are classified as "matured biological assets".

### (d) Impairment

#### i. Financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

#### ii. Non-financial assets

The group's non-financial assets, other than biological assets, inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured as the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (e) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves use of an identified asset, whether specified explicitly or implicitly;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Group has right to direct the use of the asset by either having right to operate the asset or the Group having designed the asset in a way that predetermines how and for what purpose it will be used.

#### (i) As lessee

The Group's lease asset classes primarily consist of leases for buildings, leasehold land and plant and machinery. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Group elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases as on 01 April 2019 (initial application date for Ind AS 116). Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, or changed, on or after 01 April 2019. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. 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 Group 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 Group recognises any remaining amount of the re-measurement in Statement of Profit and Loss.

Lease payments included in the measurement of the lease liability comprise the following:

- a. Fixed payments including in-substance fixed payments
- b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c. Amounts expected to be payable under a residual value guarantee and
- d. the exercise price under a purchase option that the Group and its associate is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Group 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 for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

### (f) Inventories

Inventories comprise of raw materials and packing materials, work-in-progress, finished goods, stock-in-trade and stores and spares and are carried at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Net realisable value is 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 related finished products. The comparison of cost and net realisable value is made on an item-by-item basis.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Goods-in-transit are valued at cost which represents the costs incurred upto the stage at which the goods are in-transit.

### (g) Financial instruments

#### i. Recognition and initial measurement

The Group initially recognises financial assets (excluding trade receivables) and financial liabilities when it becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated.

#### ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial Assets

#### *Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### *Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### *Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### **Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### *Investment in subsidiaries and associates*

Investment in subsidiary and associates is carried at cost in the consolidated financial statements.

### **iii. Derecognition**

#### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

### **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (h) Revenue recognition

The Group is engaged in sale of milk and milk products. 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. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts collected on behalf of third parties. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

#### *Contract balances*

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

### (i) Dividend income and interest income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

### (j) Earnings per share (EPS)

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

### (k) Business Combination

In accordance with Ind AS 103, the Group accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations (for common control business combinations) arising from transfers of interest in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Group is transferred to the capital reserve or to the accumulated balance of profit and loss.

### (l) Foreign currencies

#### i. Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rates, are recognised in profit or loss as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### ii. Foreign operations

The assets and liabilities of foreign subsidiaries are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign subsidiaries are translated into functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (m) Government grants

Grants from the government are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or 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/ current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### (n) Income taxes:

Income-tax expense for the year comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (o) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

### (p) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group 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 and 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 risks 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.

#### i. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### ii. Contingent assets

Contingent assets has to be recognized in the standalone financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

#### iii. Onerous contracts

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

### (q) Employee benefits

#### i. Short-term employee benefits

Short-term employee benefits obligation are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii. Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### iii. *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in profit or loss in the periods during which the related services are rendered by employees.

### iv. *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, 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 asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### v. *Other long-term benefits*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of independent actuarial obligation using the projected unit credit method.

## (r) **Investments in associates**

Investments in associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (s) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### (t) Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as IPO expenses recoverable under other current assets.

### (u) 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. Where bank overdrafts/ cash credits which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. For the purposes of cash flow, bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### (v) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

### (w) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 4: Property, plant and equipment and capital work-in-progress

#### Reconciliation of carrying amount

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)	
	As at 01 April 2021	Additions	Disposals	Forex adjustment	As at 31 March 2022	As at 01 April 2021	Depreciation for the period	Disposals		Forex adjustment
Freehold land	691.10	23.60	-	-	714.70	-	-	-	-	714.70
Buildings	1,568.35	94.03	0.66	5.48	1,667.20	65.11	0.66	0.99	260.50	1,406.70
Plant and equipments	3,131.75	346.67	14.70	20.48	3,484.20	760.10	265.04	10.67	5.08	2,464.65
Electrical installations	122.44	9.61	1.18	-	130.87	50.59	13.07	1.05	-	68.26
Electronic data processors	48.65	8.89	1.68	(0.01)	55.85	38.01	6.08	1.68	(0.01)	13.45
Office equipments	41.56	8.24	1.63	0.02	48.19	22.76	7.33	1.58	0.01	19.67
Furniture and fixtures	126.11	13.69	0.78	0.04	139.06	39.94	15.11	0.63	0.01	84.63
Laboratory equipments	615.79	131.92	7.56	0.20	740.35	477.71	95.06	7.47	0.17	174.88
Right-of-use assets (refer note (iv) below)	172.35	35.21	6.58	2.05	203.03	37.14	23.93	2.55	0.12	144.39
Leasehold Improvements	29.88	11.07	-	-	40.95	2.35	3.16	-	-	35.44
Vehicles	52.70	1.16	1.86	0.06	52.06	21.27	6.92	1.38	0.03	25.22
<b>Total</b>	<b>6,600.68</b>	<b>684.09</b>	<b>36.63</b>	<b>28.32</b>	<b>7,276.46</b>	<b>1,644.93</b>	<b>500.81</b>	<b>27.67</b>	<b>6.40</b>	<b>5,151.99</b>

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)	
	As at 01 April 2020	Additions	Disposals	Forex adjustment	As at 31 March 2021	As at 01 April 2020	Depreciation for the year	Disposals		Forex adjustment
Freehold land	691.14	-	0.04	-	691.10	-	-	-	-	691.10
Buildings	1,505.92	63.49	1.50	0.44	1,568.35	134.81	61.13	0.95	0.07	1,373.29
Plant and equipments	2,753.04	384.99	8.07	1.79	3,131.75	537.18	224.35	1.84	0.41	2,371.65
Electrical installations	116.79	5.86	0.21	-	122.44	38.16	12.54	0.11	-	71.85
Electronic data processors	44.84	6.05	2.18	(0.06)	48.65	29.71	10.51	2.17	(0.04)	10.64
Office equipments	36.34	6.61	1.33	(0.06)	41.56	17.37	6.71	1.31	(0.01)	18.80
Furniture and fixtures	117.17	9.51	0.52	(0.05)	126.11	26.44	13.84	0.33	(0.01)	86.17
Laboratory equipments	541.04	82.74	8.01	0.02	615.79	375.07	110.55	7.92	0.01	138.08
Right-of-use assets (refer note (iv) below)	136.08	40.03	3.95	0.19	172.35	17.29	20.56	0.72	0.01	135.21
Leasehold Improvements	16.99	13.13	0.24	-	29.88	0.56	1.81	0.02	-	27.53
Vehicles	56.23	3.52	6.97	(0.08)	52.70	16.37	7.67	2.77	-	31.43
<b>Total</b>	<b>6,015.58</b>	<b>615.93</b>	<b>33.02</b>	<b>2.19</b>	<b>6,600.68</b>	<b>1,192.96</b>	<b>469.67</b>	<b>18.14</b>	<b>0.44</b>	<b>4,955.75</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (i) Contractual obligations

Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment. Carrying amount of property, plant and equipment (included in above) pledged as securities for borrowings (refer note 20 & 24) as at 31 March 2022 is ₹ 970,98 (31 March 2021: ₹ 2,882.37).

(iii) The Group has not revalued any property, plant and equipment after initial recognition, during the current and previous financial year.

### (iv) Right-of-use assets

Description	Gross carrying amount					Accumulated depreciation				Carrying amounts (net)	
	As at 01 April 2021	Additions	Disposals	Forex adjustment	As at 31 March 2022	As at 01 April 2021	Depreciation for the period	Disposals	Forex adjustment		As at 31 March 2022
Land	5.72	-	-	-	5.72	1.19	0.96	-	-	2.15	3.57
Buildings	146.89	28.26	6.58	2.05	170.62	28.64	18.09	2.55	0.12	44.29	126.33
Plant and equipments	19.74	6.95	-	-	26.69	7.31	4.88	-	-	12.20	14.49
<b>Total</b>	<b>172.35</b>	<b>35.21</b>	<b>6.58</b>	<b>2.05</b>	<b>203.03</b>	<b>37.14</b>	<b>23.93</b>	<b>2.55</b>	<b>0.12</b>	<b>58.64</b>	<b>144.39</b>

Description	Gross carrying amount					Accumulated depreciation				Carrying amounts (net)	
	As at 01 April 2020	Additions	Disposals	Forex adjustment	As at 31 March 2021	As at 01 April 2020	Depreciation for the year	Disposals	Forex adjustment		As at 31 March 2021
Land	5.72	-	-	-	5.72	0.64	0.79	0.24	-	1.19	4.53
Buildings	110.62	40.03	3.95	0.19	146.89	12.86	16.25	0.48	0.01	28.64	118.25
Plant and equipments	19.74	-	-	-	19.74	3.79	3.52	-	-	7.31	12.43
<b>Total</b>	<b>136.08</b>	<b>40.03</b>	<b>3.95</b>	<b>0.19</b>	<b>172.35</b>	<b>17.29</b>	<b>20.56</b>	<b>0.72</b>	<b>0.01</b>	<b>37.14</b>	<b>135.21</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 5: Capital work-in-progress

	As at 31 March 2022	As at 31 March 2021
<b>Reconciliation of carrying amount</b>		
<b>Opening Balances</b>	<b>82.83</b>	<b>112.44</b>
Additions during the year	607.98	546.29
Capitalised during the year	649.85	575.90
<b>Closing Balance</b>	<b>40.96</b>	<b>82.83</b>

Note: The company does not have any Capital Work-in-progress (CWIP) which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

Capital work-in-progress mainly comprises new plant and machinery, buildings, chilling centres and other assets under erection for the plant.

#### CWIP ageing schedule

##### As at 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	40.96	-	-	-	40.96
Projects temporarily suspended	-	-	-	-	-

##### As at 31 March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	80.70	2.13	-	-	82.83
Projects temporarily suspended	-	-	-	-	-

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 6: Goodwill and other intangible assets

Description	Goodwill	Other intangible assets			Total
		Computer software	Brands	Non-compete arrangements	
<b>Gross carrying amount</b>					
As at 01 April 2021	441.70	86.69	58.80	22.20	167.69
Additions	-	0.81	-	-	0.81
Disposals	-	-	-	-	-
Forex adjustment	-	0.27	-	-	0.27
<b>As at 31 March 2022</b>	<b>441.70</b>	<b>87.77</b>	<b>58.80</b>	<b>22.20</b>	<b>168.77</b>
<b>Accumulated amortization</b>					
As at 01 April 2021	-	69.10	24.37	9.21	102.68
Amortisation expense	-	6.53	11.75	4.44	22.72
Disposals	-	-	-	-	-
Forex adjustment	-	0.24	-	-	0.24
<b>As at 31 March 2022</b>	<b>-</b>	<b>75.87</b>	<b>36.12</b>	<b>13.65</b>	<b>125.64</b>
<b>Carrying amounts (net) as at 31 March 2022</b>	<b>441.70</b>	<b>11.90</b>	<b>22.68</b>	<b>8.55</b>	<b>43.13</b>
<b>Gross carrying amount</b>					
As at 01 April 2020	441.70	82.51	58.80	22.20	163.51
Additions	-	4.27	-	-	4.27
Disposals	-	-	-	-	-
Forex adjustment	-	(0.09)	-	-	(0.09)
<b>As at 31 March 2021</b>	<b>441.70</b>	<b>86.69</b>	<b>58.80</b>	<b>22.20</b>	<b>167.69</b>
<b>Accumulated amortization</b>					
As at 01 April 2020	-	47.46	12.62	4.77	64.85
Amortisation expense	-	21.42	11.75	4.44	37.61
Disposals	-	-	-	-	-
Forex adjustment	-	0.22	-	-	0.22
<b>As at 31 March 2021</b>	<b>-</b>	<b>69.10</b>	<b>24.37</b>	<b>9.21</b>	<b>102.68</b>
<b>Carrying amounts (net) as at 31 March 2021</b>	<b>441.70</b>	<b>17.59</b>	<b>34.43</b>	<b>12.99</b>	<b>65.01</b>

#### (i) Impairment

Refer accounting policy in note 3(d).

*Impairment testing for cash generating unit containing goodwill*

During the earlier years, the Group has acquired assets under a business transfer agreement from K C Dairy Products Private Limited ("K C Dairy") and allocated Goodwill to K C Dairy which represents the lowest level within the Group at which Goodwill is monitored for internal management purposes. The carrying amount of goodwill as at 31 March 2022 is ₹ 359.37 (31 March 2021: ₹ 359.37).

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

The Group has also acquired Bharathi Feedmixing Plant through its subsidiary Orgafeed Private Limited ("Orgafeed") in the earlier year under slump sale of assets and allocated goodwill to Orgafeed which represents the lowest level within the the Group at which Goodwill is monitored for internal management purposes. The carrying amount of goodwill of Orgafeed as at 31 March 2022 is ₹ 82.33 (31 March 2021: ₹ 82.33).

The key assumptions used in the estimation of the recoverable amount are as set out below. The values assigned to the key assumptions represent Management's assessment of future trends in the relevant industry and have been based on historical data from both internal and external sources.

	K C Dairy		Orgafeed	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Annual growth rate for 5 years (Average)	11.48%	14.14%	5.63%	8.00%
Terminal value growth rate	3.00%	3.00%	3.00%	3.00%
Budgeted Earnings before tax, interest, depreciation and amortisation (EBITDA) growth rate (Average)	21.80%	12.00%	5.50%	14.00%
Weighted average cost of capital % (WACC) post tax	14.28%	13.54%	6.79%	12.00%

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = Risk free return + (Market premium x Beta for the Company).

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for FY 2021-22.

- (ii) The Group has not revalued any Intangible assets after initial recognition during the current and previous financial year.

### Note 7: Biological assets other than bearer plants

	As at 31 March 2022	As at 31 March 2021
Matured biological assets	16.02	18.65
Immatured biological assets	5.94	8.32
	<b>21.96</b>	<b>26.97</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Reconciliation of carrying amount:

	As at 31 March 2022		As at 31 March 2021	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
<b>Balance at the beginning of the year</b>	<b>18.65</b>	<b>8.32</b>	<b>19.91</b>	<b>5.53</b>
Change in fair value (refer note 31)	(2.88)	4.92	2.68	6.53
Cattles matured during the year	5.21	(5.21)	3.64	(3.64)
Cattles sold/ discarded during the year	(4.96)	(2.09)	(7.58)	(0.11)
<b>Balance at the end of the year</b>	<b>16.02</b>	<b>5.94</b>	<b>18.65</b>	<b>8.32</b>

As at 31 March 2022, there were 194 cattle (31 March 2021: 199 cattle) as immatured biological assets and 270 cattle (31 March 2021: 267 cattle) as matured biological assets. During the current year, the Company has sold/ discarded 137 cattle (31 March 2021: 132 cattle).

The fair valuation of biological assets is classified as level 2 in the fair value hierarchy as they are determined based on the basis of the best available quote from the nearest market to the farm and on the basis of age of the calves, cows and heifers.

### Note 8: Non-current investments

	As at 31 March 2022	As at 31 March 2021
<b>Investment in equity instruments</b>		
<b>Investment in associate</b>		
<b>Carried at cost less provision for other than temporary impairment</b>		
Unquoted		
<b>Investment in associate*</b>		
Global VetMed Concepts India Private Limited	38.67	38.67
3,866,923 (31 March 2019: 3,866,923) equity shares of face value ₹ 10 each, fully paid-up		
Less: Provision for impairment for investment in Global VetMed Concepts India Private Limited	(38.67)	(38.67)
<b>Investment in debentures</b>		
Carried at amortised cost	558.47	-
	<b>558.47</b>	<b>-</b>

\* The Group holds 47.88% of the shareholding in the associate company. The Group's share of net profit/(loss) incurred during the year by the associate company is ₹ 0.34 (31 March 2020: ₹ 0.07). The Group has not recognised these profits/ losses in its books of account as the investment is fully impaired. The Group has not received dividend from the associate company during the current and previous year.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
The company has not traded in or invested in crypto or virtual currency during the year.		
Aggregate value of non-current investments - unquoted	597.14	38.67
Aggregate book/ market value of non-current investments - quoted	-	
Aggregate provision for impairment in value of non-current investments	(38.67)	(38.67)
Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 46.		

The Group has not traded in or invested in crypto or virtual currency during the year.

### Note 9: Non-current loans

Unsecured, credit impaired		
Amounts receivable from vendors	5.00	5.00
Less: Allowance for doubtful receivables	(5.00)	(5.00)
	-	-

For details of loans due by Company in which director of the company is director refer note 42.

### Note 10: Other non-current assets

Capital advances		
Unsecured, considered good	137.58	9.92
Advances other than capital advances (Unsecured, considered good)		
Prepaid expenses	6.46	1.64
Advance for business purchase (refer note 40)	300.00	-
Taxes paid under protest	0.10	0.10
	<b>444.14</b>	<b>11.66</b>

### Note 11: Inventories\*

Raw materials and packing materials	598.44	383.78
Work-in-progress	253.23	235.30
Finished goods**	267.67	266.44
Stock-in-trade	12.01	17.17
Stores and spares	78.50	59.03
	<b>1,209.85</b>	<b>961.72</b>
Carrying amount of inventories (included in above) pledged as securities for borrowings	1,081.88	853.45

\*refer note 3(f) for mode of valuation for inventories.

\*\*include goods-in-transit amounting to ₹ 66.23 (31 March 2021: ₹ 61.04).

The write down of inventories to net realisable value during the year amounted to ₹ Nil (31 March 2021: ₹ Nil). The write down are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 12: Current investments</b>		
<b>Carried at FVTPL</b>		
Investment in quoted mutual funds	473.99	604.28
<b>Carried at amortised cost</b>		
Investment in debentures and bonds	615.03	-
Investment in commercial papers	196.01	-
	<b>1,285.03</b>	<b>604.28</b>
Aggregate book/ market value of current investments - quoted	473.99	604.28
Aggregate value of current investments - unquoted	811.04	-
Aggregate amount of impairment in value of current investments	-	-

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 46.

### Note 13: Trade receivables

Secured	6.63	8.08
Unsecured, considered good	41.02	40.80
Unsecured, credit impaired	3.15	6.91
	<b>50.80</b>	<b>55.79</b>
Less: Allowance for doubtful debts	(3.15)	(6.91)
	<b>47.65</b>	<b>48.88</b>
Carrying amount of receivables (included in above) pledged as securities for borrowings. Refer Note 20 & 24.	47.43	48.77

The Group's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 46.

There were no unbilled receivables as at 31 March 2022 and as at 31 March 2021.

### As at 31 March 2022, outstanding for the following periods

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	46.66	3.63	0.51	-	<b>50.80</b>
<b>Total</b>	<b>46.66</b>	<b>3.63</b>	<b>0.51</b>	<b>-</b>	<b>50.80</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

As at 31 March 2021, outstanding for the following periods

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	48.88	6.11	0.73	0.06	<b>55.79</b>
<b>Total</b>	<b>48.88</b>	<b>6.11</b>	<b>0.73</b>	<b>0.06</b>	<b>55.79</b>

There are no debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

	As at 31 March 2022	As at 31 March 2021
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### Note 14: Cash and bank balances

(a) Cash and cash equivalents:		
Cash on hand	13.09	17.40
Balances with banks		
- in current accounts	780.59	401.18
- in deposit accounts (with original maturity of less than three months)	305.26	822.86
	<b>1,098.94</b>	<b>1,241.44</b>
<b>(b) Other bank balances*</b>		
Deposits with remaining maturity of less than 12 months	219.55	1,003.04
	<b>219.55</b>	<b>1,003.04</b>

\* It includes bank deposits held against bank guarantees amounting to ₹ 36.45 (31 March 2021: ₹ Nil).

### Note 15: Current loans

Unsecured, considered good		
Amounts receivable from vendors	4.77	34.66
	<b>4.77</b>	<b>34.66</b>

### Note 16: Other financial assets

#### Non-current

Unsecured, considered good		
Security deposits	106.41	98.68
Bank deposits maturing after 12 months from the reporting date*	-	0.43
Amount paid under protest	18.99	-
	<b>125.40</b>	<b>99.11</b>

\* Represents margin money deposits against bank guarantees.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Unsecured, considered good		
Security deposits	26.80	0.75
Interest accrued	26.75	3.48
Amount paid under protest	-	0.14
	<b>53.55</b>	<b>4.37</b>

### Note 17: Other current assets

<b>Advances other than capital advances:</b>		
Unsecured, considered good:		
Salary advances to employees	4.20	3.04
Salary advances to key managerial person**	-	1.44
Prepaid expenses	19.46	22.35
Advance to suppliers and service providers	19.35	11.83
Share issue expenses (refer note (i) below)	23.96	44.55
Other advances**	32.89	20.56
Balance with government authorities	11.60	16.84
<b>Unsecured, credit impaired:</b>		
Other advances**	35.07	41.50
Less : Allowance for bad and doubtful advances	(35.07)	(41.42)
	<b>111.46</b>	<b>120.69</b>

Note (i): During the year ended 31 March 2022, the Group incurred expenses in connection with the Initial Public Offer (IPO) of equity shares of the Holding Company by way of fresh issue and an offer for sale by the existing shareholders. In relation to the IPO expenses incurred till date, except for listing fees which shall be solely borne by the Group, all other expenses will be shared between the Group and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by the Holding Company in the fresh issue and the offered shares sold by the selling shareholders in the offer for sale.

\*\* Includes a part of outstanding balances as disclosed under note 42 (iii)

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 18: Equity share capital</b>		
<b>Authorised share capital</b>		
75,000,000 (31 March 2020: 75,000,000) equity shares of ₹ 10 each	750.00	750.00
	<b>750.00</b>	<b>750.00</b>
<b>Issued, subscribed and paid-up share capital</b>		
59,492,735 (31 March 2021: 58,324,511) equity shares of ₹ 10 each fully paid-up	594.93	583.25
	<b>594.93</b>	<b>583.25</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement of the year	58,324,511	583.25	55,671,991	556.72
Issued during the year	1,168,224	11.68	2,652,520	26.53
<b>Outstanding at the end of the year</b>	<b>59,492,735</b>	<b>594.93</b>	<b>58,324,511</b>	<b>583.25</b>

### (b) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a face value of INR 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders 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.

### (c) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of ₹ 10 each, fully paid-up</b>				
Mr. D. Sunil Reddy	7,852,434	13.20%	8,269,038	14.18%
Mrs. D. Deepa Reddy	6,766,409	11.37%	7,433,958	12.75%
Dodla Family Trust	14,524,983	24.41%	16,144,877	27.68%
Mylktree Consultants LLP	6,946,614	11.68%	7,000,000	12.00%
TPG Dodla Dairy Holdings Pte. Ltd.	5,831,434	9.80%	15,031,434	25.77%
SBI Small Cap Fund	3,672,376	6.17%	-	0.00%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (d) Equity shares held by promoters at the end of the year

Promotor Name	As at 31 March 2022			As at 31 March 2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Mr. D. Sunil Reddy	7,852,434	13.20%	-5.04%	8,269,038	14.18%	106.13%
Mr. D. Sesha Reddy	556,716	0.94%	0.00%	556,716	0.94%	0.00%
Mrs. D. Deepa Reddy	6,766,409	11.37%	-8.98%	7,433,958	12.75%	779.22%
Sunil Reddy (HUF)	-	0.00%	0.00%	-	0.00%	-100.00%
Dodla Family Trust	14,524,983	24.41%	-10.03%	16,144,877	27.68%	0.00%
Dodla Girija Reddy	17	0.00%	0.00%	17	0.00%	0.00%
Dodla Subba Reddy	17	0.00%	0.00%	17	0.00%	0.00%
Bommi Surekha Reddy	556,733	0.94%	0.00%	556,733	0.95%	0.00%
Mylktree Consultants LLP	6,946,614	11.68%	-0.76%	7,000,000	12.00%	0.00%

(e) During the five years immediately preceding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued other than the issuance of 52,397,168 equity shares of ₹ 10 each fully paid-up as bonus shares on 17 July 2018 in the ratio of 16:1 (sixteen equity shares of ₹ 10 each for every one equity share of ₹ 10 each held in the Company as on the record date i.e. 05 July 2018) by capitalisation of securities premium account.

### (f) Share based payment arrangement

During the financial year 2017-18, the Company introduced Dodla Dairy Limited Employee Stock Option Plan 2018 ('the Plan'). As per the Plan, the Nomination and Remuneration Committee grants options to the eligible employees and directors of the Company. The vesting period of the option shall be provided in the relevant grant letter and shall be subject to the applicable law. Options granted under the Plan can be exercised within the period determined by the Nomination and Remuneration Committee. Exercise of an option is subject to continued employment.

Under the Plan, the Company granted 49,122 options on 23 March 2018 (835,074 options, converted in the ratio of bonus shares issued) at an exercise price of ₹ 3,627.38 per share (₹ 213.39 per share, in proportion to the bonus shares issued) to the Chief Executive Officer of the Company. Each option represents one equity share of ₹ 10 each, fully paid-up.

#### Movement in the options under the Plan

	No. of options	
	As at 31 March 2022	As at 31 March 2021
Options outstanding at the beginning of the year	835,074	835,074
Options granted during the year	-	-
Options exercised during the year	-	-
<b>Options exercisable at the end of the year</b>	<b>835,074</b>	<b>835,074</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Fair value measurement

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black-Scholes model for calculating fair value of options under the plan as on the date of grant are as follows:

No. of options granted	835,074
Date of grant	23-Mar-18
Vesting period (years)	1 to 4
Fair value at grant date (INR)	430
Expected volatility	45.00%
Risk free rate	7.60%

For details on the employee benefits expense, refer note 34.

### Note 19: Other equity

	Attributable to owners of the company						
	Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve	Share options outstanding account	Retained earnings	Total
<b>Balance as at 01 April 2020</b>	<b>12.00</b>	<b>568.28</b>	<b>16.16</b>	<b>1.50</b>	<b>26.56</b>	<b>3,153.74</b>	<b>3,778.24</b>
Issue of shares	-	973.47	-	-	-	-	973.47
Share issue expenses	-	(18.03)	-	-	-	-	(18.03)
Exchange differences in translating financial statements of foreign operations	-	-	-	(3.75)	-	-	(3.75)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	3.40	3.40
Employee share based payment expense	-	-	-	-	3.42	-	3.42
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	1,259.70	1,259.70
Transfer to Debenture redemption reserve	-	-	34.61	-	-	(34.61)	-
<b>Balance as at 31 March 2021</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>(2.25)</b>	<b>29.98</b>	<b>4,382.23</b>	<b>5,996.45</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve	Share options outstanding account	Retained earnings	Total
<b>Balance as at 01 April 2021</b>	<b>12.00</b>	<b>1,523.72</b>	<b>50.77</b>	<b>(2.25)</b>	<b>29.98</b>	<b>4,382.23</b>	<b>5,996.45</b>
Issue of shares	-	488.32	-	-	-	-	488.32
Share issue expenses	-	(31.84)	-	-	-	-	(31.84)
Exchange differences in translating financial statements of foreign operations	-	-	-	58.58	-	-	58.58
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	(3.65)	(3.65)
Employee share based payment expense	-	-	-	-	0.69	-	0.69
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	1,328.13	1,328.13
Transfer to Debenture redemption reserve	-	-	(50.77)	-	-	50.77	-
<b>Balance as at 31 March 2022</b>	<b>12.00</b>	<b>1,980.20</b>	<b>-</b>	<b>56.33</b>	<b>30.67</b>	<b>5,757.48</b>	<b>7,836.68</b>

### Nature and purpose of the reserve

#### *Capital redemption reserve*

The Company had redeemed the preference shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so redeemed is required to be transferred to the capital redemption reserve.

#### *Debenture redemption reserve*

The Company has issued non-convertible debentures in India and as per the provisions of the Companies Act, 2013 is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend.

#### *Securities premium*

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

#### *Foreign currency translation reserve*

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in this reserve within equity. The cumulative amount will be reclassified to profit or loss when the net investment is disposed-off.

#### *Share options outstanding account*

The share options outstanding account is used to recognise the grant date fair value of options issued under Dodla Dairy Limited Employee Stock Option Plan 2018 (refer note 18(f)).

#### *Remeasurement of defined benefit plans (included in retained earnings)*

Remeasurements of defined benefit plans represents the following as per Ind AS 19, employee benefits:

- 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)

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 20: Non-current borrowings

	As at 31 March 2022	As at 31 March 2021
<b>Secured</b>		
Debtentures		
Nil (31 March 2021: 507,705) Redeemable non-convertible debtentures of ₹ 1,000 each, fully paid-up	-	418.56
Term loans		
- from banks (refer below)	-	111.11
Others - Lease Liability	98.32	-
	-	<b>529.67</b>

#### Terms of repayment of Debtentures taken by Holding Company:

During the financial year 2018-19, the Company has issued 550,000 Redeemable non convertible debtentures of ₹ 1,000 each, fully paid up to International Finance Corporation (IFC) which carries interest rate of IFC's cost of funding plus 2.25%, currently 9.00% p.a. and is secured by the first charge on movable plant, machinery, equipment and all other movable assets (both present and future) pertaining to specified plants and second pari passu charge on current assets (both present and future) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. During the current year, the Company has pre-paid the entire amount.

#### Terms of repayment for secured term loans from banks taken by the Holding Company:

a) Term loan of ₹ 65 was taken from HDFC Bank during the financial year 2015-2016 which carries interest rate equal to MCLR plus 1.10% per annum i.e., 8.55 % per annum for the year ended 31 March 2022. It is repayable in 16 equal quarterly installments of ₹ 4.06 commencing from January 2018. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 12.19). During the current year, the Company has pre-paid the entire amount.

b) Term loan of ₹ 100 was taken from HDFC Bank during the financial year 2015-2016 which carries interest rate at the rate equal to MCLR plus 1.10% per annum i.e., 8.55 % per annum for the year ended 31 March 2022. It is repayable in 16 equal quarterly installments of ₹ 6.25 commencing from January 2018. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 18.75). During the current year, the Company has pre-paid the entire amount.

c) Term loan of ₹ 25 was taken from HDFC Bank during the financial year 2015-2016 which carries interest rate equal to MCLR plus 1.10% per annum i.e., 8.55% per annum for the year ended 31 March 2022. It is repayable in 16 equal quarterly installments of ₹ 1.56 commencing from January 2018. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 4.69). During the current year, the Company has pre-paid the entire amount.

d) Term loan of ₹ 60 was taken from HDFC Bank during the financial year 2015-2016 which carries interest rate equal to MCLR plus 1.10% per annum i.e., 8.55% per annum for the year ended 31 March 2022. It is repayable in 16 equal quarterly installments of ₹ 3.75 commencing from January 2018. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

guarantee furnished by the director of the Company, Mr. Sunil Reddy Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 11.25). During the current year, the Company has pre-paid the entire amount.

e) Term loan of ₹ 250 was taken from HSBC Bank during the financial year 2018-2019 which carries interest rate equal to MCLR plus 1.00% per annum i.e., 7.85% per annum for the year ended 31 March 2022. It is repayable in 18 equal quarterly installments of ₹ 13.89 each commencing from November 2019. The term loan is secured by first pari passu charge on identified properties, movable and immovable (present and future), property at Chendurthy together with buildings and immovable fixed assets and second pari passu charge on current assets, present and future and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 166.67). During the current year, the Company has pre-paid the entire amount.

f) Term loan of ₹ 249.50 was taken from ICICI Bank during the financial year 2018-2019 which carries interest rate equal to MCLR plus 0.60 % per annum i.e., 7.90 % per annum for the year ended 31 March 2022. It is repayable in total 10 quarterly installments. For 9 quarterly installments of ₹ 13.86 each and balance of ₹ 124.75 for final installment commencing from September 2019. The term loan is secured by First pari-passu charge on fixed assets of the company along with HSBC covering 1.2 times of the exposure and Second pari passu charge hypothecation on the entire current assets of the company both present and future except for the investments in mutual funds and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2022 is Nil (31 March 2021 is ₹ 152.47). During the current year, the Company has pre-paid the entire amount.

### Terms of repayment of short-term borrowings from banks:

#### Secured

- i) **ICICI Bank:** The Company has taken cash credit and working capital demand loan facilities from ICICI Bank, secured by way of First Pari-passu Charge: Hypothecation of the companies entire stocks of raw materials, semi finished and finished goods, consumable stores and spares and such other moveables including book debts, bills whether documentary or clean, out standing monies, receivables both present and future in a form and manner satisfactory to the bank except investments in mutual fund. Second pari-passu charge: entire fixed assets of the company which are both movable and immovable in nature and Personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Cash credit carries an interest rate of 7.70% per annum and working capital demand loan carries an interest rate of 7.95% to 8.70% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).
- ii) **Standard Chartered Bank (SCB):** The Company has taken short-term loan and pre-shipment finance facility from SCB. All these facilities are secured by Pari-passu first charge on entire current assets of the company. Pari-passu second charge on entire fixed assets of the company both present and future (excepting assets specifically charged to Banks) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Interest rate on these facilities ranges from 5.00% to 9.00% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).
- iii) **Kotak Mahindra Bank:** The Company has taken working capital demand loan facility from Kotak Mahindra Bank, secured by First pari-passu hypothecation charge to be shared with HDFC, ICICI, HSBC & SCB on all existing and future receivables/current assets of the borrower. Second pari-Passu Charge on moveable fixed assets of the borrower (other than exclusive charged assets like vehicles/assets created out of SCB's ECB loan). Second pari passu charge on immovable properties of specific properties of the borrower ₹ 26.14 Crores (Market Value) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Interest rate on these facilities ranges from 4.25% to 8.00% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).
- iv) **HDFC Bank:** The Company has taken cash credit and working capital demand loan facility from HDFC Bank. All these facilities are secured by 1. Pari-passu first charge on entire current assets of the company, present and future. 2. 2nd Pari-passu charge on fixed assets of the company and personal guarantees furnished by the director of the Company, Mr. Sunil Reddy. Cash credit carries an interest rate of 9.50% to 10.00% per annum and working capital demand loan carries an interest rate of 8.00% to 9.00% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

- v) **Hongkong and Shanghai Banking Corporation (HSBC Bank):** The Company has taken overdraft and working capital demand loan facility from HSBC Bank. All these facilities are secured by First pari-passu charge on current assets present and future of the borrower. Second pari-passu charge fixed assets (Movable & Immovable) of the borrower except those exclusively charged to term lenders and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Interest rate on these facilities ranges from 6.90% to 8.00% per annum, outstanding as at 31 March 2022 is Nil (31 March 2021 is Nil).

Aggregate amount of loans (including current maturities) guaranteed by the directors of the Company outstanding as at 31 March 2022 is Nil (31 March 2021 is ₹ 450.60).

Aggregate amount of debentures (including current maturities) guaranteed by the directors of the Company outstanding as at 31 March 2022 is Nil (31 March 2021 is ₹ 507.71).

Information about the Group's exposure to interest rate and liquidity risks is included in note 46.

The Company has not availed any specific borrowings during the year.

### Reconciliation of quarterly statements of current assets submitted to bank with books of account:

Name of the Bank	Quarter	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
HDFC Bank, Standard Chartered Bank	05-Apr-21	Sundry Creditors	455.30	94.14	361.16	
HSBC Bank, ICICI Bank, Kotak Mahindra Bank	June'21	Sundry Creditors	818.08	369.46	448.62	
HDFC Bank, Standard Chartered Bank	05-Jul-21	Sundry Creditors	425.84	-	425.84	Only sundry creditors with respect to milk purchases have been considered for the purpose of submission of statements to banks.
HSBC Bank, ICICI Bank, Kotak Mahindra Bank	September'21	Sundry Creditors	845.45	312.40	533.05	
HDFC Bank, Standard Chartered Bank	05-Oct-21	Sundry Creditors	426.81	-	426.81	
HSBC Bank, ICICI Bank, Kotak Mahindra Bank	December'21	Sundry Creditors	921.91	191.60	730.31	
HDFC Bank, Standard Chartered Bank	05-Jan-22	Sundry Creditors	488.97	-	488.97	
HSBC Bank, ICICI Bank, Kotak Mahindra Bank	March'22	Sundry Creditors	904.32	113.35	790.97	

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 21: Deferred tax liabilities, net

	As at 31 March 2022	As at 31 March 2021
The balance comprises temporary differences attributable to:		
<b>Deferred tax liabilities</b>		
On account of property, plant and equipment (PPE), goodwill and other intangible assets	455.53	599.89
Fair value changes in mutual funds	5.53	1.84
Others	5.17	8.94
<b>Deferred tax assets</b>		
Provision for employee benefits	(43.10)	(64.98)
Lease liabilities	(32.23)	(40.19)
Provision for impairment of receivables, advances and other assets, net	(10.24)	(17.54)
Others	(35.07)	(34.00)
<b>Net deferred tax liability</b>	<b>345.59</b>	<b>453.96</b>
Deferred tax assets	(0.34)	(0.74)
Deferred tax liabilities	345.93	454.70
<b>Net deferred tax liability</b>	<b>345.59</b>	<b>453.96</b>

Also refer note 38, for tax expense.

### Movement in deferred tax liabilities/ (assets)

	On account of PPE, goodwill and other intangible assets	Fair value changes in mutual funds	Provision for employee benefit	Provision for impairment of receivables, advances and other assets, net	Others	Total
<b>Balance as at 01 April 2020</b>	<b>460.32</b>	<b>6.35</b>	<b>(54.11)</b>	<b>(19.99)</b>	<b>(27.65)</b>	<b>364.92</b>
Charged/ (credited):						
- to profit or loss	139.57	(4.51)	(12.70)	2.45	(37.60)	87.21
- to other comprehensive income	-	-	1.83	-	-	1.83
<b>Balance as at 31 March 2021</b>	<b>599.89</b>	<b>1.84</b>	<b>(64.98)</b>	<b>(17.54)</b>	<b>(65.25)</b>	<b>453.96</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	On account of PPE, goodwill and other intangible assets	Fair value changes in mutual funds	Provision for employee benefit	Provision for impairment of receivables, advances and other assets, net	Others	Total
<b>Balance as at 01 April 2021</b>	<b>599.89</b>	<b>1.84</b>	<b>(64.98)</b>	<b>(17.54)</b>	<b>(65.25)</b>	<b>453.96</b>
Charged/ (credited):						
- to profit or loss	(144.35)	3.69	23.11	7.30	3.11	(107.14)
- to other comprehensive income	-	-	(1.23)	-	-	(1.23)
<b>Balance as at 31 March 2022</b>	<b>455.54</b>	<b>5.53</b>	<b>(43.10)</b>	<b>(10.24)</b>	<b>(62.14)</b>	<b>345.59</b>

	As at 31 March 2022	As at 31 March 2021
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### Note 22: Government grants

Non-current	22.64	25.55
Current	2.91	2.91
	<b>25.55</b>	<b>28.46</b>

### Movement of government grants:

<b>Balance at the beginning of the year</b>	28.46	31.34
Add: Received during the year	-	-
Less: Released to statement of profit and loss (refer note 31)	(2.91)	(2.88)
<b>Balance at the end of the year</b>	<b>25.55</b>	<b>28.46</b>

### Note 23: Non-current provisions

Provision for employee benefits		
Compensated absences	88.56	73.13
Gratuity (refer note (ii) below)	20.19	14.42
	<b>108.75</b>	<b>87.55</b>

#### (i) Post retirement benefit - Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue (refer note 34).

#### (ii) Post retirement benefit - Defined benefit plans

The Group provides its employees with the benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/ exit, restricted to a sum of ₹ 2.00.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

- a) The amounts recognised in the financial statements and the movements in the defined benefit obligation and plan assets over the year are as follows:

	As at 31 March 2022			As at 31 March 2021		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>Opening balance (A)</b>	<b>102.70</b>	<b>(83.92)</b>	<b>18.78</b>	<b>95.71</b>	<b>(73.74)</b>	<b>21.97</b>
Current service cost	15.30	-	15.30	15.31	-	15.31
Interest cost	5.39	-	5.39	5.74	-	5.74
Expected returns	-	(4.40)	(4.40)	-	(4.42)	(4.42)
<b>Total amount recognised in profit or loss (B)</b>	<b>20.69</b>	<b>(4.40)</b>	<b>16.29</b>	<b>21.05</b>	<b>(4.42)</b>	<b>16.63</b>
<i>Remeasurements</i>						
Gain from change in demographic assumptions	5.80	-	5.80	(11.26)	-	(11.26)
Loss from change in financial assumptions	(4.06)	-	(4.06)	5.20	-	5.20
Experience losses/ (gains)	4.35	(1.21)	3.14	0.87	(0.04)	0.83
<b>Total amount recognised in other comprehensive income (C)</b>	<b>6.09</b>	<b>(1.21)</b>	<b>4.88</b>	<b>(5.19)</b>	<b>(0.04)</b>	<b>(5.23)</b>
Contributions (D)	-	(15.64)	(15.64)	-	(14.59)	(14.59)
Benefits paid (E)	(8.99)	8.99	-	(8.87)	8.87	-
<b>Closing balance (A+B+C+D+E)</b>	<b>120.49</b>	<b>(96.18)</b>	<b>24.31</b>	<b>102.70</b>	<b>(83.92)</b>	<b>18.78</b>

### b) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.10%	5.25%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	19.00%	24.72%
Retirement age	60 years for Senior Manager/DGM & above level 58 years for others	58 years

- i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

- ii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- iii) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

### c) 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:

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	114.49	127.10	98.61	107.15
Salary escalation rate (1% movement)	126.70	114.72	106.85	98.80
Employee attrition rate (1% movement)	111.94	140.01	94.86	122.21

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### d) The major categories of plan assets are as follows

	As at 31 March 2022	As at 31 March 2021
Funds managed by Life Insurance Corporation of India	96.18	83.92
<b>Total</b>	<b>96.18</b>	<b>83.92</b>

The Group makes annual contribution to the Life Insurance Corporation of India ('LIC') of an amount advised by LIC. The Group was not informed by LIC of the investments made by them or the breakup of the plan assets into various type of investments.

### e) Risk exposure

Through its defined benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The Group's plan assets are insurer managed funds and are subject to less material risk.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities and the Group ensures that it has enough reserves to fund the liability.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### f) Maturity profile of defined benefit obligation:

As at	As at 31 March 2022	As at 31 March 2021
1st following year	21.87	24.78
2nd following year	18.24	18.54
3rd following year	16.84	16.00
4th following year	15.64	13.36
5th following year	13.56	11.64
Thereafter	88.38	46.67

g) The Company expects to contribute a sum of ₹ 40.56 to the plan for the next annual accounting period (31 March 2021: ₹ 31.73).

h) The weighted average duration of the defined benefit obligation at the end of the year is 5 years (31 March 2021: 4 years).

### (iii) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company including its subsidiary and associate incorporated in India towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company including its subsidiary and associate incorporated in India will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### Note 24: Current borrowings

Current maturities of long term debt from banks		339.49
	-	<b>339.49</b>
Refer note 20 for disclosures related to borrowings.		

### Note 25: Trade payables

Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note below)	21.02	13.49
Total outstanding dues of creditors other than micro enterprises and small enterprises **	1,008.07	851.22
	<b>1,029.09</b>	<b>864.71</b>

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Not Due	Unbilled	
MSME	0.79	-	-	-	20.23	-	21.02
Others	849.21	0.53	0.46	1.64	91.68	64.55	1,008.07
<b>Total</b>	<b>850.00</b>	<b>0.53</b>	<b>0.46</b>	<b>1.64</b>	<b>111.91</b>	<b>64.55</b>	<b>1,029.09</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Not Due	Unbilled	
MSME	13.49	-	-	-	-	-	13.49
Others	661.32	0.18	5.82	1.90	98.30	83.70	851.22
<b>Total</b>	<b>674.81</b>	<b>0.18</b>	<b>5.82</b>	<b>1.90</b>	<b>98.30</b>	<b>83.70</b>	<b>864.71</b>

**Note:** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the reporting date has been made in the financial statements based on information received and available with the Group. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year;

- Principal (including ₹ 3.68 shown under capital creditors (31 March 2021: ₹ 1.06))	24.70	14.55
- Interest	-	-
ii) The amount of interest paid by the Group in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed date during the year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-
	<b>24.70</b>	<b>14.55</b>

\*\* Includes a part of outstanding balances as disclosed under note 42 (iii)

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 46.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Note 26: Other financial liabilities</b>		
Interest accrued but not due on borrowings	-	2.54
Capital creditors	28.76	43.55
Employee payables**	67.17	118.82
Security deposits	245.86	220.51
Other payables	3.68	-
	<b>345.47</b>	<b>385.42</b>

\*\* Includes a part of outstanding balances as disclosed under note 42 (iii).

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 46.

### Note 27: Current provisions

<b>Provision for employee benefits</b>		
Compensated absences	23.83	27.95
Gratuity (refer note 23)	4.38	4.50
<b>Other provisions</b>		
Provision for litigations (refer note 28)	109.03	79.35
	<b>137.24</b>	<b>111.80</b>

### Note 28: Movement in provision for litigations

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance
Provision for litigations				
- For the year ended 31 March 2022	<b>79.35</b>	29.68	-	<b>109.03</b>
- For the year ended 31 March 2021	<b>6.74</b>	72.61	-	<b>79.35</b>

Provision for litigations represents provision towards potential liability against an indirect tax case based on Group's internal assessment.

### Note 29: Other current liabilities

Contract liability against payment	57.39	39.14
Statutory dues	27.71	24.84
Other liabilities	47.09	1.20
	<b>132.19</b>	<b>65.18</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 30: Revenue from operations</b>		
<b>Sale of goods</b>		
- Finished goods	21,662.50	18,637.45
- Traded goods	741.82	758.11
<b>Sale of services</b>		
- Conversion service charges	17.74	35.60
<b>Other operating revenue</b>		
- Sale of scrap	11.45	8.90
	<b>22,433.51</b>	<b>19,440.06</b>
<b>Reconciliation of revenue recognised with the contracted price is as follows:</b>		
Contract price	22,680.71	19,787.99
Less: Discounts and incentives	(247.20)	(347.93)
	<b>22,433.51</b>	<b>19,440.06</b>
<b>Contract balances</b>		
Trade receivables (refer note 13)	47.65	48.88
Contract liabilities (refer note 29)	57.39	39.14

The contract liabilities are primarily related to advance from customers for sale of milk and milk products, for which revenue is recorded at a point in time. The amount of ₹ 39.14 included in contract liabilities as at 31 March 2021 has been recognised as revenue in the current year.

### Note 31: Other income

Interest income		
- on deposits	26.50	28.17
- on bonds, Debentures and Commercial papers	41.15	-
- on others	1.52	2.36
Amortisation of government grants (refer note (i) below and note 22)	2.91	2.88
Changes in fair value of biological assets (refer note 7)	2.04	9.22
Fair value gain on financial assets measured at fair value through profit and loss	17.18	3.43
Profit on sale of investments in mutual funds, net	24.52	0.57
Other non-operating income	21.21	17.05
	<b>137.03</b>	<b>63.68</b>

Note (i): Government grants relate to capital investments in property, plant and equipment for creation of cold chain projects. The investment subsidies received from Government towards acquisition of assets are treated as "Government grants" and the amount in proportion to the depreciation is transferred to the statement of profit and loss.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 32: Cost of materials consumed</b>		
Inventory of materials at the beginning of the year	378.30	783.16
Add: Purchases during the year	16,493.88	13,262.62
Less: Inventory of materials at the end of the year	598.44	383.78
	<b>16,273.74</b>	<b>13,662.00</b>

### Note 33: Changes in inventories of finished goods, work-in-progress and stock-in-trade

<b>a) Finished goods</b>		
Opening stock	266.44	212.76
Closing stock	(267.67)	(266.44)
	<b>(1.23)</b>	<b>(53.68)</b>
<b>b) Work-in-progress</b>		
Opening stock	235.30	134.29
Closing stock	(253.23)	(235.30)
	<b>(17.93)</b>	<b>(101.01)</b>
<b>c) Stock-in-trade</b>		
Opening stock	17.17	17.09
Closing stock	(12.01)	(17.17)
	<b>5.16</b>	<b>(0.08)</b>
<b>d) Foreign currency translation adjustment</b>		
	1.95	2.09
	<b>(12.05)</b>	<b>(152.68)</b>

### Note 34: Employee benefits expense

Salaries, wages and bonus	928.27	808.76
Employee share based payment expenses (refer notes 18(f) and 19)	0.69	3.42
Contribution to provident and other funds	63.61	55.62
Expenses related to post-employment defined benefit plans (refer note 23)	16.65	16.92
Staff welfare expenses	14.94	13.27
	<b>1,024.16</b>	<b>897.99</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 35: Finance costs</b>		
Interest expense on loan from banks	29.07	106.85
Other interest costs	11.67	12.07
Other borrowing costs	24.44	-
	<b>65.18</b>	<b>118.92</b>
<b>Note 36: Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (refer note 4)	500.81	469.67
Amortisation of intangible assets (refer note 6)	22.72	37.61
	<b>523.53</b>	<b>507.27</b>
<b>Note 37: Other expenses</b>		
Power and fuel	406.31	361.38
Consumption of stores and spare parts	244.92	192.20
Milk procurement expenses	20.60	16.08
Repairs and maintenance:		
- buildings	21.01	13.65
- plant and machineries	16.23	12.86
- other assets	11.92	11.56
Rent	55.14	49.05
Rates and taxes	55.13	93.98
Communication	11.56	10.85
Printing and stationery	12.21	13.24
Travelling and conveyance	63.73	51.41
Vehicle hire charges	14.35	11.37
Bank charges	9.27	9.22
Legal and professional fees	85.42	74.78
Security expenses	50.61	43.99
Bad debts written off	2.44	1.69
Provision for impairment of receivables	(3.76)	5.08
Impairment loss on doubtful advances	(6.35)	(3.38)
Insurance	20.73	24.17
Loss on sale/ retirement of property, plant and equipment, net	2.08	3.80
Loss on sale/ discard of biological assets, net	3.53	4.31
Expenditure on Corporate social responsibility	19.64	13.35
Carriage outwards	1,784.58	1,481.40
Loss on account of foreign exchange fluctuation, net	13.70	10.51
Advertisement	66.66	49.49
Miscellaneous	58.72	52.04
	<b>3,040.38</b>	<b>2,608.08</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 38: Tax expense</b>		
<b>(a) Amounts recognised in profit or loss</b>		
Current tax	434.61	515.25
Deferred tax	(107.14)	87.21
	<b>327.47</b>	<b>602.46</b>
<b>(b) Amounts recognised in other comprehensive income</b>		
Deferred tax (refer note 21)	(1.23)	1.83
	<b>(1.23)</b>	<b>1.83</b>

### (c) Reconciliation of effective tax rate

<b>Profit before tax</b>		<b>1,655.60</b>		<b>1,862.16</b>
Tax using the Group's domestic tax rate	25.17%	416.68	34.94%	650.71
<b>Tax effect of:</b>				
Tax exempt income	-2.57%	(42.56)	-5.12%	(95.34)
Lower tax rate in the subsidiary	-1.66%	(27.52)	-3.11%	(57.94)
Adjustment for items taxed at a lower rate	-	-	-0.08%	(1.55)
Change in rate	-6.43%	(106.41)	-	-
Others	5.20%	86.05	5.82%	108.41
	<b>19.71%</b>	<b>326.24</b>	<b>32.45%</b>	<b>604.29</b>

During the year ended 31 March 2022, the Holding company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31 March 2022 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said Section.

### Note 39: Contingent liabilities

	As at 31 March 2022	As at 31 March 2021
<b>i) Claims against the Group not acknowledged as debts (net of provision)*:</b>		
Income-tax matters	0.99	0.99
Indirect tax matters related to assessment of Central Sales Tax and Customs on import of machinery	3.69	81.24

\*It does not include any interest/ penalty which may arise at the time of completion of the respective proceedings.

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Group, as the case may be, and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defence of the proceedings and accordingly, no further provision is required.

ii) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Group has re-computed its liability towards PF for the month of March 2019 and has made a provision for it in the books of account which was subsequently paid. In respect of the earlier years, the Group has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

### Note 40: Commitments

#### Capital commitments:

	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	137.42	28.89

(ii) The Board of Directors at their meeting held on 07 March 2022 approved the purchase of the business of Sri Krishna Milks Private Limited, a milk and milk products Company, through slump purchase arrangement on a Going Concern basis. Pursuant to the approval of the Board of Directors, the Company executed a Business Transfer Agreement ("BTA") on 18 March 2022 for purchase of business at a consideration of ₹ 500 (subject to certain transaction adjustments). As on 31 March 2022, the Company has given advance of ₹ 300 against the purchase of said business. Subsequent to the year end, the Company completed the purchase of business on 12 April 2022.

### Note 41: Earnings per share ('EPS')

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Earnings</b>		
Profit attributable to equity shareholders (A)	1,328.13	1,259.70
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year (B)	59,211,081	56,042,617
Effect of potential equity shares on employee stock options outstanding	513,468	360,576
Weighted average number of potential equity shares outstanding during the year for the purpose of computing Diluted Earnings Per Share (C)	59,724,549	56,403,193
Basic earnings per share of face value of ₹10 (A/B)	22.43	22.48
Diluted earnings per share of face value of ₹10 (A/C)	22.24	22.33

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 42: Related parties

As per the Indian Accounting Standards - "Related Party Disclosures" (Ind AS 24) the following disclosures are made:

#### (i) Names of related parties and nature of relationship:

Nature of relationship	Name of the party
<b>Entity exercising significant influence over the Company</b>	TPG Dodla Dairy Holdings Pte. Ltd.
<b>Associate</b>	Global VetMed Concepts India Private Limited ('GVC')
<b>Key management personnel ('KMP')</b>	Mr. Sunil Reddy, Managing Director
	Mr. Sessa Reddy, Chairman
	Mr. B.V.K. Reddy, Chief Executive Officer (CEO)
	Mr. Hemanth Kundavaram, Chief Financial Officer (CFO) (till 31 December 2020)
	Mr. Anjaneyulu Ganji, Chief Financial Officer (CFO) (w.e.f. 25 January 2021)
	Mr. A. Madhusudhana Reddy, Whole-time Director
	Mr. Kishore Hiranand Mirchandani, Independent Director (till 21 January 2021)
	Mr. Raja Rathinam, Independent Director (w.e.f. 01 February 2021)
	Mr. Rampraveen Swaminathan, Independent Director
	Ms. Ponnayolu Divya, Independent Director (till 31 December 2021)
	Mr. Tallam Puranam Raman, Independent Director
	Mr. Akshay Tanna, Nominee Director
	Ms. Vinoda Kailas (w.e.f. 20 January 2022)
	Mrs. Ruchita Malpani, Company Secretary and Compliance officer (till 31 August 2021)
	Mr. Surya Prakash Mungelkar, Company Secretary and Compliance officer (w.e.f. 22 October 2021)
<b>Relatives of KMP</b>	Mr. Sessa Reddy, Father of Mr. Sunil Reddy
	Mrs. Surekha Reddy, Sister of Mr. Sunil Reddy
	Mrs. Deepa Reddy, Wife of Mr. Sunil Reddy
	Ms. Shilpa Reddy, Daughter of Mr. Sunil Reddy
	Ms. Girija Reddy, Mother of Mr. Sunil Reddy
	Mr. Subba Reddy, Brother of Mr. Sunil Reddy
<b>Enterprise over which KMP have significant influence</b>	Dodla Dairy, Vinjimuru
	D Soft India Private Limited
	Surekha Milk Chilling Centre
	Tropical Bovine Genetics Private Limited
	Hanslot Pile Foundation (till 09 September 2021)
	Mylktree Consultants LLP
	Dodla Family Trust
	Dodla Nutri Feeds LLP
	Dodla Foundation

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (ii) Details of transactions with the above related parties:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Lease rent paid</b>		
- Dodla Dairy, Vinjimuru	1.20	1.20
- Surekha Milk Chilling Centre	1.00	0.96
- Hanslot Pile Foundation	0.33	0.30
<b>Rent paid</b>		
- Dodla Nutri Feeds LLP	-	0.19
<b>Sale of Raw material</b>		
- Dodla Nutri Feeds LLP	0.13	-
<b>Software maintenance expenses</b>		
- D Soft India Private Limited	-	0.60
<b>Remuneration paid to Key Managerial Personnel (refer note b)</b>		
- Short-term employee benefits	71.54	72.56
- Post employment benefits	3.58	3.16
<b>Sitting fees</b>		
- Mr. B.V.K. Reddy	1.13	0.81
- Mr. Kishore Hiranand Mirchandani	-	0.30
- Mr. Rampraveen Swaminathan	1.20	1.10
- Ms. Ponnnavolu Divya	0.30	0.50
- Mr. Tallam Puranam Raman	0.60	0.50
- Ms. Vinoda Kailas	0.10	-
- Mr. Raja Rathinam	0.60	-
<b>Purchase of raw material</b>		
- GVC	9.57	9.82
<b>Expenditure incurred on behalf of</b>		
- GVC	3.22	6.44
<b>Consultancy expense</b>		
- Mr. Sesha Reddy	3.90	3.68
- Ms. Shilpa Reddy	0.90	0.90
<b>Purchase of goods</b>		
- Tropical Bovine Genetics Private Limited	0.99	1.39
<b>Corporate social responsibility expenditure incurred</b>		
- Dodla Foundation	6.40	12.15

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### (iii) Balances with related parties:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Other current and non-current assets</b>		
- GVC – Other advances	35.04	41.40
- GVC – Provision for doubtful advances	(35.04)	(41.40)
- Dodla Nutri Feeds LLP	0.02	-
- Mr. B.V.K. Reddy – Advance given against salary, net	-	1.31
- Mr. A. Madhusudhana Reddy – Advance given against salary, net	-	0.13
<b>Other financial liabilities and trade payables</b>		
- Ms. Shilpa Reddy – Consultancy fees payable	-	0.08
- Mr. Sunil Reddy – Remuneration payable, net	-	0.84
- Mr. Sessa Reddy – Consultancy fees payable	-	0.33
- Mr. A. Madhusudhana Reddy – Remuneration payable, net	-	0.14
- Mr. Anjaneyulu Ganji – Remuneration payable, net	-	0.46
- Tropical Bovine Genetics Private Limited	0.06	0.25
- Surekha Milk Chilling Centre	0.08	0.08
- D Soft India Private Limited	-	0.05
- Dodla Dairy, Vinjimuru	0.10	0.10
- Hanslot Pile Foundation	0.02	0.02

### Notes:

- The borrowings of the Group are secured by personal guarantees given by the director of the Company, Mr. Sunil Reddy as detailed in note 20 and 24.
- As the future liabilities for gratuity and leave encashment is provided on an actuarial basis and payment of insurance costs are made for the Group as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above. Share-based compensation expense allocable to key management personnel ₹ 0.69 (31 March 2021 - ₹ 3.42) is also not included in the remuneration disclosed above.
- All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 43: Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance. The Group is in the business of processing and selling milk and milk products. The Group's Chief Executive Officer who is identified as Chief Operating Decision Maker (CODM) reviews the performance of the Group on the basis of economic performance for Liquid Milk, Products and Curd. For the purpose of reporting the operating segments, all the three segments have been aggregated as a single reporting segment under the provisions of Ind AS 108 'Operating Segments' as the nature of products, the production and distribution process, class of customers and the regulatory environment is similar for all the segment. Thus, the segment revenue, segment profit, total segment assets and liabilities are all as reflected in the consolidated financial statements as at and for the years ended 31 March 2022 and 31 March 2021.

The geographical information analyses the Group's revenues and non-current assets by the Holding Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

#### (i) Revenues

	For the year ended 31 March 2022	For the year ended 31 March 2021
India	20,966.87	18,371.50
Outside India	1,466.64	1,068.56
<b>Total</b>	<b>22,433.51</b>	<b>19,440.06</b>

#### (ii) Non-current assets

	As at 31 March 2022	As at 31 March 2021
India	6,477.59	5,344.54
Outside India	375.66	358.08
<b>Total</b>	<b>6,853.25</b>	<b>5,702.62</b>

### Note 44: Loans or advances to specified persons

There are no Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013,) either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment

### Note 45: Details of the loan given under Section 186 of the Companies Act, 2013

Pursuant to incorporation of a subsidiary Orgafeed Private Limited in the earlier year, the Board has approved an unsecured loan to Orgafeed Private Limited, carrying an interest rate of 9% p.a. The repayment of the loan had commenced from the financial year 2020-21 and is repayable in next 31 equal quarterly installments. The loan was given for the general business purpose. During the year, the Company has extended the repayment of installment amounting to ₹ 5.50 due on 31 March 2022 till 30 June 2022. Subsequent to the year end, the Company has received the said amount on 20 April 2022.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Movement in the balance is as below:

Particulars	Amount
<b>As at 01 April 2020</b>	<b>198.01</b>
Given during the financial year 2020-21	10.00
Repaid during the financial year 2020-21	(21.00)
<b>As at 31 March 2021</b>	<b>187.01</b>
Given during the financial year 2021-22	-
Repaid during the financial year 2021-22	(16.50)
<b>As at 31 March 2022</b>	<b>170.51</b>

### Note 46: Financial instruments - fair values and risk management

#### Accounting classification and fair values

Financial instruments by category	As at 31 March 2022		As at 31 March 2021		Fair value level
	Amortised cost	FVTPL	Amortised cost	FVTPL	
<b>Financial assets</b>					
Investments in mutual funds (refer note (a) below)	-	473.99	-	604.28	Level 1
Investment in debentures, bonds and commercial papers	1,369.51	-	-	-	
Trade receivables	47.65	-	48.88	-	-
Cash and cash equivalents	1,098.94	-	1,241.44	-	-
Bank balances other than above	219.55	-	1,003.04	-	-
Non-current loans receivable	-	-	-	-	-
Current loans receivable	4.77	-	34.66	-	-
Other non-current financial assets	125.40	-	99.11	-	-
Other current financial assets	53.55	-	4.37	-	-
<b>Total financial assets</b>	<b>2,919.37</b>	<b>473.99</b>	<b>2,431.50</b>	<b>604.28</b>	
<b>Financial liabilities</b>					
Borrowings (current and non-current)	-	-	869.16	-	-
Lease liabilities	128.73	-	116.99	-	-
Trade payables	1,029.09	-	864.71	-	-
Interest accrued but not due on borrowings	-	-	2.54	-	-
Capital creditors	28.76	-	43.55	-	-
Employee payables	67.17	-	118.82	-	-
Other payable	3.68	-	-	-	-
Security deposits	245.86	-	220.51	-	-
<b>Total financial liabilities</b>	<b>1,503.29</b>	<b>-</b>	<b>2,236.28</b>	<b>-</b>	<b>-</b>

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Measurement of fair values

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature.

- (a) The fair valuation of investments in mutual funds is classified as level 1 in the fair value hierarchy as they are determined based on their quoted prices.

#### Fair value method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

#### A. Financial assets

1. The Group has not disclosed the fair values for trade receivables, cash and cash equivalents including other bank balances, loans receivable, and other financial assets because the carrying amounts are a reasonable approximation of the fair values.
2. Investment in mutual funds: Fair value of quoted mutual funds units is based on quoted market price at the reporting date.

#### B. Financial liabilities

1. Non-convertible debentures: The fair values of the Group's interest bearing debentures are determined by using Discounted cash flow ("DCF") method using discount rate that reflects the issuer's coupon rate as at the end of the reporting period. The Group has not disclosed the fair values because its carrying amount is a reasonable approximation of its fair value.
2. Borrowings: It includes term loans from banks, cash credit and overdraft facilities and working capital loans. These borrowings are classified and subsequently measured in the consolidated financial statements at amortised cost. Considering that the interest rate on the loan is reset on a monthly/ quarterly/ half yearly/ yearly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.
3. Lease liabilities: The fair values of the Group's lease liabilities are determined by discounting the future cashflows at discount rate that reflects the incremental borrowing rate of the Group. The Group has not disclosed the fair value because its carrying amount is a reasonable approximation of its fair value.
4. Trade payables and Other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the carrying values.

### Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

### Trade and other receivables

Credit risk is managed by Head (Sales) of the Group. Usually, the business is carried on cash and carry basis. However, for institutional customers credit is provided after a detailed background check and credit analysis.

The accounts receivable team along with sales team will evaluate all new customers to determine payment terms, and what level of credit will be established. The accounts receivable team and sales team will also periodically review and re-evaluate payment terms and credit lines of existing customers and to support new customer requirements, and do manage risk as financial and business conditions change.

Majority of milk customers are un-registered and multi brand sellers. Billing transaction takes all the 365 days in a year. The credit allowed is monitored as per the approved limits.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The default in collection as a percentage to total receivable is low. Refer below for the expected credit loss for trade receivables.

### Reconciliation of expected credit loss- trade receivables

	<b>Amount</b>
<b>Expected credit loss on 01 April 2020</b>	<b>(1.93)</b>
Changes in loss allowance	(4.98)
<b>Expected credit loss on 31 March 2021</b>	<b>(6.91)</b>
Changes in loss allowance	3.76
<b>Expected credit loss on 31 March 2022</b>	<b>(3.15)</b>

### Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, process and policies related to such risks are overseen by the senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Particulars	As at 31 March 2022				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
<b>Financial liabilities</b>					
Trade payables	1,029.09	1,029.09	1,029.09	-	-
Lease liabilities	128.73	184.64	30.62	26.71	127.31
Other financial liabilities	345.47	345.47	345.47	-	-
	<b>1,503.29</b>	<b>1,559.20</b>	<b>1,405.18</b>	<b>26.71</b>	<b>127.31</b>

Particulars	As at 31 March 2021				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
<b>Financial liabilities</b>					
Trade payables	864.71	864.71	864.71	-	-
Borrowings	869.16	1,024.59	342.06	219.35	463.18
Lease Liabilities	116.99	171.82	28.30	25.38	118.14
Other financial liabilities	385.42	385.42	385.42	-	-
	<b>2,236.28</b>	<b>2,446.54</b>	<b>1,620.49</b>	<b>244.73</b>	<b>581.32</b>

### Market risk

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

### Interest risk

The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. The Group also has variable interest deposit receivable which mitigate the interest rate risk on payables.

The exposure of the Group to interest rate changes at the end of the reporting period are as follows:

	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	-	366.01
<b>Total</b>	<b>-</b>	<b>366.01</b>

### Sensitivity

The profit or loss is sensitive to higher/ lower interest expense and interest income as a result of changes in interest rates.

Impact on profit after tax	As at 31 March 2022	As at 31 March 2021
Interest rate - increases by 50 basis points	-	(1.83)
Interest rate - decreases by 50 basis points	-	1.83

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Currency risk

The particulars of un-hedged foreign currency exposure as at balance sheet date is as under:

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Capital creditors	USD	24,679	1.81	24,679	1.81
Bank balance	USD	4,36,830	33.16	648	0.05
Fixed deposit	USD	20,12,396	152.74	30,18,379	220.37
Trade and other receivables	USD	5,14,591	39.06	4,71,469	34.50
Trade and other payables	USD	6,40,026	48.58	5,13,109	37.54

### Sensitivity

The profit or loss is sensitive to foreign exchange gain/ loss as a result of changes in foreign exchange rates.

Impact on profit after tax	As at 31 March 2022	As at 31 March 2021
Foreign exchange rate - increases by 5%	8.73	10.87
Foreign exchange rate - decreases by 5%	(8.73)	(10.87)

### Note 47: Capital management

#### (a) Risk management

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

#### (b) Dividends

During the year, no interim dividend has been declared by the Company (31 March 2021:Nil). Further, the Board of Directors of the Company has not proposed any final dividend (31 March 2021 : Nil).

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 48: Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

As at and for the year ended 31 March 2022

Name of the entity	Net assets (i.e. total assets minus total liabilities)		Share in profit		Share in other comprehensive income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Dodla Dairy Limited	93.39%	7,873.89	102.86%	1,366.17	-6.65%	(3.65)	98.52%	1,362.52
<b>Subsidiaries</b>								
Dodla Holdings Pte Limited	6.37%	538.13	15.56%	206.64	-	-	14.94%	206.64
Lakeside Dairy Limited	6.23%	524.93	14.68%	194.95	-	-	14.10%	194.95
Dodla Dairy Kenya Limited	0.05%	4.63	0.58%	7.70	-	-	0.56%	7.70
Orgafeed Private Limited	0.43%	35.87	1.65%	21.92	-	-	1.59%	21.92
<b>Non-controlling interest</b>								
	-	-	-	-	-	-	-	-
<b>Associate</b>								
Global VetMed Concepts Private Limited*	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-6.47%	(545.84)	-35.33%	(469.25)	106.65%	58.58	-29.69%	(410.67)
<b>Total</b>	<b>100.00%</b>	<b>8,431.61</b>	<b>100.00%</b>	<b>1,328.13</b>	<b>100.00%</b>	<b>54.93</b>	<b>100.00%</b>	<b>1,383.06</b>

\*The group has not recognised any share of profit/losses of the associate as it exceeds the carrying amount of the investment.

As at and for the year ended 31 March 2021

Name of the entity	Net assets (i.e. total assets minus total liabilities)		Share in profit		Share in other comprehensive income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Dodla Dairy Limited	91.85%	6,042.52	86.04%	1,083.94	-981.69%	3.40	86.34%	1,087.34
<b>Subsidiaries</b>								
Dodla Holdings Pte Limited	7.28%	479.27	-0.06%	(0.80)	-	-	-0.06%	(0.80)
Lakeside Dairy Limited	8.96%	589.76	14.78%	186.17	-	-	14.78%	186.17
Dodla Dairy Kenya Limited	-0.05%	(3.05)	-0.30%	(3.84)	-	-	-0.30%	(3.84)
Orgafeed Private Limited	0.21%	13.95	-0.07%	(0.84)	-	-	-0.07%	(0.84)
<b>Non-controlling interest</b>								
	-	-	-	-	-	-	-	-
<b>Associate</b>								
Global VetMed Concepts Private Limited*	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-8.25%	(542.75)	-0.39%	(4.93)	1081.69%	(3.75)	-0.69%	(8.68)
<b>Total</b>	<b>100.00%</b>	<b>6,579.70</b>	<b>100.00%</b>	<b>1,259.70</b>	<b>100.00%</b>	<b>(0.35)</b>	<b>100.00%</b>	<b>1,259.35</b>

\*The group has not recognised any share of profit/losses of the associate as it exceeds the carrying amount of the investment.

**Note 49:** During the year ended 31 March 2022, no material foreseeable losses (31 March 2021: Nil) was incurred for any long-term contract including derivative contracts.

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

### Note 50: Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities:

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	116.99	97.14
Transfer on account of adoption of Ind AS 116	-	-
Additions	35.21	40.03
Interest expenses	11.68	8.57
Deletions	(3.41)	(3.60)
Payment of lease liabilities	(31.74)	(25.15)
<b>Balance at the end</b>	<b>128.73</b>	<b>116.99</b>

As at balance sheet date, the Group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

	As at 31 March 2022	As at 31 March 2021
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	30.62	28.30
One to two years	26.71	25.38
More than two years	127.31	118.14
<b>Total</b>	<b>184.64</b>	<b>171.82</b>

### Lease liabilities included in the balance sheet

	As at 31 March 2022	As at 31 March 2021
Current	30.41	17.62
Non-current	98.32	99.37
<b>Total</b>	<b>128.73</b>	<b>116.99</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group has incurred following expenses relating to short-term leases for which the recognition exemption has been applied. (Refer note 37).

	For the year ended 31 March 2022	For the year ended 31 March 2021
Expenses relating to short-term leases (Refer note 37)	55.14	49.05
Expenses relating to low value leases	-	-

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

The following are the amounts recognised in consolidated statement of profit and loss

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Right-of-use assets	23.93	20.56
Interest expenses	11.68	8.57
	<b>35.61</b>	<b>29.13</b>
<b>Amounts recognised in Statement of Cashflows</b>		
Total cash outflow for leases	31.74	25.15
	<b>31.74</b>	<b>25.15</b>

**Note 51:** During the year, the Company has completed Initial Public Offering of upto 12,153,668 Equity Shares of face value of ₹ 10 each of Dodla Dairy Limited for cash at a price of ₹ 428 per equity share (including a share premium of ₹ 418 per equity share) aggregating upto ₹ 5,201.77, consisting of fresh issue of 1,168,224 equity shares aggregating to ₹ 500 and an offer for sale of 10,985,444 equity shares aggregating to ₹ 4,701.77 by the selling share holders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f 28 June 2021.

The Company has received gross amount of ₹ 500.00 from proceeds out of fresh issue of Equity Shares. The utilization of IPO proceeds out of fresh issue is summarized below:

(₹ in Millions)

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to 31 March 2022	Unutilised amount as on 31 March 2022
Repayment and/ or pre-payment, in full or part, of certain borrowings availed by our Company from ICICI Bank Limited, the Hongkong and Shanghai Banking Corporation Limited and HDFC Bank Limited	322.64	322.64	-
Funding incremental capital expenditure requirements of our Company	71.51	71.51	-
General corporate purposes	105.85	105.85	-

### Note 52: Benami property

There are no proceeding initiated or pending against the Company as at 31 March 2022, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

### Note 53: Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

### Note 54: Undisclosed incomes

The Group does not have any such transaction which is 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).

## Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

**Note 55:** 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### Note 56: Struck off companies

The Group has not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

### Note 57: Impact of COVID-19

The Group has considered internal and external sources of information up to the date of approval of the above financial statements in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, goodwill, intangible assets, inventories, receivables, investments and other financial assets. The Group has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Group is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of the above financial statements. Considering the continuing uncertainties, the Group will continue to closely monitor any material changes to future economic conditions.

As per our Report of even date attached

**for B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration no: 116231W/ W-100024

Sd/-

**Sulabh Kumar Kedia**

Partner

Membership number : 066380

Place: Hyderabad

Date: 16 May 2022

*for and on behalf of the Board of Directors of*

**Dodla Dairy Limited**

CIN: L15209TG1995PLC020324

Sd/-

**D. Sessa Reddy**

Chairman

DIN: 00520448

Place: Chennai

Date: 16 May 2022

Sd/-

**D. Sunil Reddy**

Managing Director

DIN: 00794889

Place: Colorado

Place: Hyderabad

Sd/-

**Anjaneyulu Ganji**

Chief Financial Officer

Place: Hyderabad

Sd/-

**B.V.K. Reddy**

Chief Executive Officer

Place: Hyderabad

Sd/-

**Surya Prakash Mungelkar**

Company Secretary

M. No. A31877

Place: Hyderabad





## **Dodla Dairy Limited**

**CIN: L15209TG1995PLC020324**

# 8-2-293/82/A, Plot No - 270/Q, Road No 10-C, Jubilee Hills, Hyderabad - 500033, Telangana, India

Phone : 040 - 4546 7777, Fax : 040 - 4546 7788

Email : [cs@dodladairy.com](mailto:cs@dodladairy.com) | [www.dodladairy.com](http://www.dodladairy.com)