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

FOR HEALTHIER LIFE ®
DODLA DAIRY

Date: 30 August 2021

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

Dear Sir/Madam,

Sub: Annual Report 2020-21 and Notice of 26th Annual general Meeting

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

With reference to the above stated subject, we wish to inform that the 26th Annual General Meeting ('AGM') of the Company will be held on Thursday, 23 September 2021 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 26th Annual Report of Dodla Dairy Limited for the Financial Year ended 31 March 2021 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 2020-21 is also uploaded on the website of the Company at www.dodladairy.com

This is for your information and record.

Thanking you,

Yours Faithfully,
For Dodla Dairy Limited

Dodla Sunil Reddy
Digitally signed by Dodla Sunil Reddy
Date: 2021.08.30 18:47:45 +05'30'

Dodla Sunil Reddy
Managing Director
DIN: 00794889

Increasing Value
Expanding Pastures

Dodla Dairy Limited

Annual Report 2020-21

Welcome

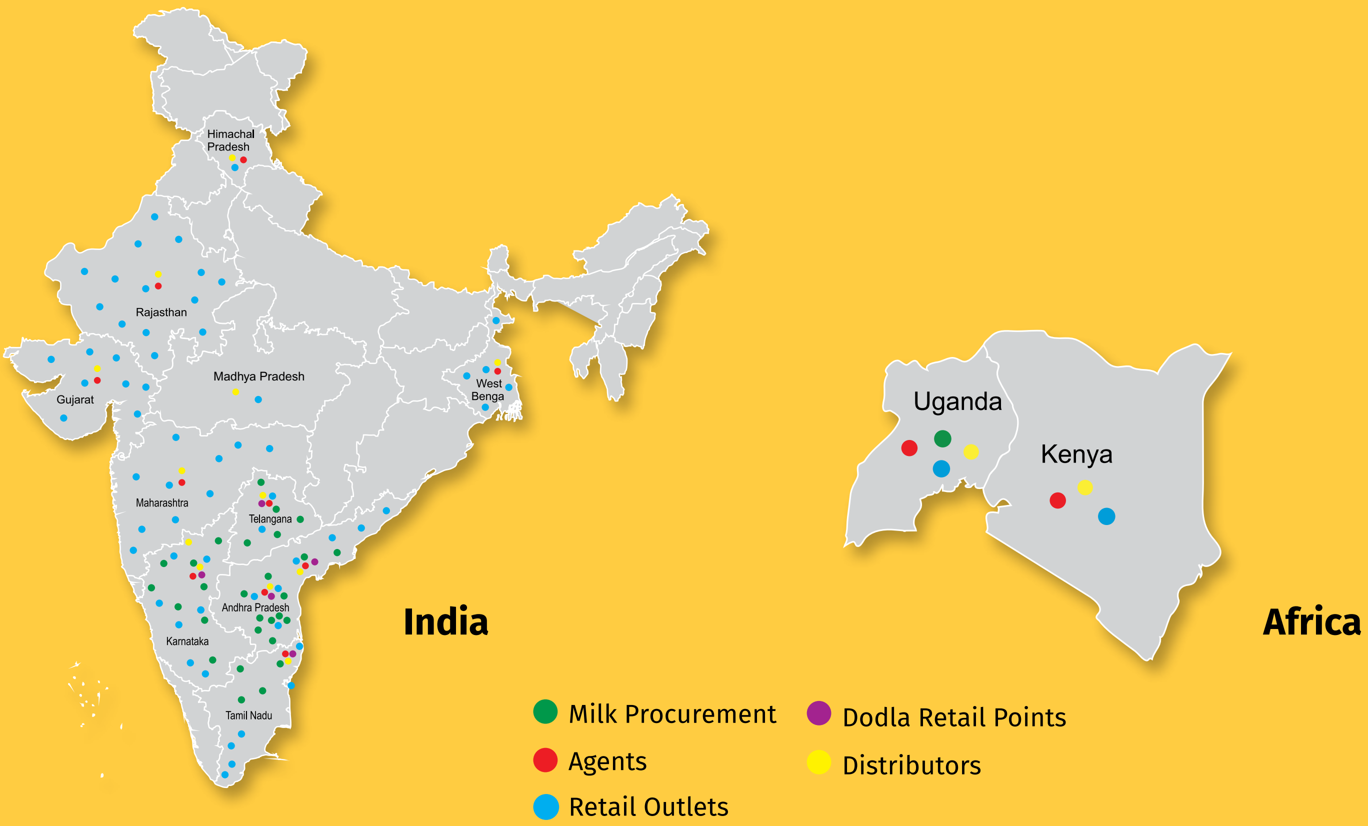
.......to the Dodla Dairy Limited's Annual Report for FY21. In the first part read about how we create financial, social and relationship value through our integrated business model. The second part of the report contains Statutory Board's Reports and Financial Statements.

TABLE OF CONTENTS

ABOUT US

Established in 1995, Dodla Dairy Limited is a leading company having its Head Quarters at Hyderabad City of Telangana State in India. The Company procures, process and sells milk and milk products across 11 states in India from its 13 state-of-the-art processing plants in India. The Company offers wide range of milk products comprising of fresh milk, curd, ice cream, butter, ghee, paneer, flavoured milk and doodh peda.

As part of expanding its presence in emerging overseas markets, in Fiscal 2015, the Company incorporated Lakeside Dairy Ltd in Uganda and its plant is located at Mbarara in Uganda. The plant currently manufactures yoghurt with different flavours, Ghee, Paneer, Cheese & ESL milk under the brand name Dairy Top and Dodla+ products are marked across Uganda & Kenya.



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.

Our Core Values

HARD WORK
We understand the value of people and believe that by way of HARD WORK we can achieve extraordinary results.

INTEGRITY
We trust that INTEGRITY of people is the key factor for long-term sustenance.

TRANSPARENCY
Our faith on openness and TRANSPARENCY will encompass across all transactions beyond business.

SINCERITY
We believe that, SINCERITY is the road for success.

COMMITMENTS
Our COMMITMENTS are irrevocable and we stand by them.

HONESTY
Truthfulness is our soul and we never compromise on HONESTY.

Key Highlights

₹ 19,440 Million
Revenue from Operations FY21

11 States
(Milk and VAP Distribution)

20+
Products range (Milk & VAP's)

14
Processing plants

~20
Lakh Litres Per Day Processing Capacity

2551
Employees

KEY HIGHLIGHTS OF THE YEAR

-9 % YoY

Revenue

+72 % YoY

EBIDTA

+153 % YoY

PAT

+8

New Chilling Centres

+8 %

Number of DDCCs

+45

Milk Procurement Vehicles

CHAIRMAN'S MESSAGE

The legacy, the journey so far and the plans we have laid out for the future give me the confidence to say that Dodla will continue to create social, economic and financial value for every stakeholder in the value chain

Dear Shareholders and associates,

I am delighted to address you all through this letter to the shareholders. We successfully completed a year full of challenges. Our performance highlights known to most of you are further detailed in the ensuing pages. Overall our performance has been satisfactory. Despite the subdued topline with prudent cost control initiatives we improved our margins year on year.

Stepping into FY22 we have reached a major milestones in our history as we successfully completed our Initial Public Offer (IPO). At the outset let me thank our new shareholders for reposing faith in our company and making our IPO a huge success.

An year and a half in, we have witnessed the many ups and downs that the Covid 19 brought with. India, as with other countries in the globe, has prioritized inoculation of its populace, and is slowly and steadily taking steps to achieve this massive target. We move forward as a nation with hope, and caution as there are talks of a next wave of the virus towards the later part of this year.

The Macroeconomy

The pandemic had its impact on the dairy segment. Even though we are classified as an 'Essential commodity', the supply chain as well as demand side faced significant changes with partial and full lockdowns imposed during certain times during the past year. However, as a business in operations for more than 25 years, we have learned to tide through the ups and downs, building our resilience while ensuring the safety and security of our employees, farmer community and extended partners and stakeholders in the system. While our revenues dipped on account of the pandemic, we ensured that we provided support to everyone to the best of our abilities during these times.

The macroeconomic environment shows a rebound in most countries across the world in 2021. India is estimated to grow at 8.8% in calendar year 2021, after a contraction of 10.3% in 2020, as per IMF October 2020 forecasts. India is thus looking at a V-shaped economic recovery, and leading business and manufacturing indicators, along with vaccine-induced optimism make for positive expectations in the immediate future.

Listing on Indian stock exchanges

I would like to acknowledge a very momentous occasion in our corporate journey, as we got listed on the BSE and NSE in June 2021. Our oversubscribed public offer went on to show keen investor interest in our business model and potential. We are deeply committed to delivering value to all of our investors, old and new, as we continue to focus on product innovation, quality, expansion, customer satisfaction and support to the dairy farmer community.

Our people – employees, farmers and stakeholders

Our employees have continued to be our strength, helping us achieve business results by bringing their high commitment and work ethic to the office everyday. I thank them deeply for their support and contribution.

Our robust HR policies ensure that we recruit, train and retain talent, while being a diverse, inclusive and socially responsible company. A top management team with decades of experience in the dairy industry, ethical and transparent in operations and forward looking in outlook is like a cherry on the top of the organization.

The dairy farming community is at the center of our work. We have strong direct relations with over 100,000 dairy farmers from whom we procure milk, and provide them with guidance and support on cattle management and ensure timely payments are made, thus impacting the quality of their lives.

Sunil Reddy – our Managing Director and BVK Reddy our CEO has been leading the company since the beginning. Both have nurtured a very efficient, dedicated and empowered leadership team in Dodla. They have been instrumental in creating an efficient operational backbone and and clear strategic intent for the company. I am confident that we as a team will continue to deliver value for all our stakeholders i.e farmers, shareholders, employees and customers.

Looking ahead

As a leading producer of milk in the world, and with growing young population, rapid urbanization increasing per capita GDP and a high wallet share towards dairy and dairy products consumption, India has a bright future in the segment. At Dodla, we continue to focus on growing our procurement and sales of liquid milk as well as the value added dairy products, a market that has significant promise and potential over the next 4-5 years. Both our domestic and overseas businesses have been doing well and are part of our growth plans.

The legacy, the journey so far and the plans we have laid out for the future give me the confidence to say that Dodla will continue to create social, economic and financial value for every stakeholder in the value chain. I wish you all a safe year ahead, as we are hopefully in the last stages of battling the coronavirus.

Best regards,

Dodla Sesha Reddy
Chairman/Director

BOARD OF DIRECTORS

Dodla Sesha Reddy
Chairman

Dodla Sunil Reddy
Managing Director

A Madhusudhana Reddy
Whole Time Director

Akshay Tanna
Nominee Director

Raja Rathinam
Independent Director

Ponnavolu Divya
Independent Director

Rampraveen Swaminathan
Independent Director

Tallam Puranam Raman
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

Ruchita Malpani
Company Secretary
and Compliance Officer

INVESTMENT RATIONALE – IN BRIEF

FOUNDING LEGACY

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.

GOVERNANCE

The company over the years have been giving outmost importance to governance, transparency, and compliance. The company has a consistent track record of complying with ESG norms with no disputes with stakeholders, society, or regulatory authorities. Even before listing on stock exchanges the company has been providing detailed voluntary disclosures of its financial and operational performance.

STRONG LINKAGES WITH FARMERS

The company has strong direct relations with over 100,000 dairy farmers through ensuring timely payments on the milk procured and handholding them on various aspects of cattle management such as feed, animal health and breeding.

EXPERIENCED MANAGEMENT & TEAM

The senior management of the company has multiple years of experience in dairy business. The company's HR policy is towards empowering each employee so as to unlock the human potential for achieving the organization goals.

STRONG VALUE CHAIN

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.

CONSISTENT PERFORMANCE

The company has as consistent track record of top line growth i.e Total incomes CAGR of 7.8% since FY17 with margins.

ORGANIC AND INORGANIC DIVERSIFICATIONS

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.

STATE OF THE ART MANUFACTURING UNITS

14 state of the art milk processing and value added manufacturing units across southern states of India and in Uganda. Ensuring seamless supply of products across its markets.

PRODUCT PORTFOLIO EXPANSION

The company over the years have expanded its liquid milk portfolio as well as value added dairy products

GEOGRAPHICAL FOOTPRINTS

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.

OVERSEAS OPERATIONS

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.

REVIEW BY THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

We have built a significant operational and brand presence through our brownfield and greenfield projects and product portfolio expansions. We continue to look for viable opportunities in organic and inorganic expansion while continue to expand our product reach through various distribution channels

Dear shareholders,

2021 marks the completion of our 24th year of operations. Stepping into 25th year, Dodla Dairy is a listed entity with an expanded stakeholder base. Our strategic intents such as direct to farmer approach, expansion of our production capacities, product portfolio expansion, and increasing our geographic footprints have resulted in tangible KPIs over the years.

How We Performed in FY21

FY 20-21 saw a dip in our 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 under review increased to ₹ 1,260 million from ₹ 499 million in FY20. Almost all of our financial ratios improved as compared to the previous year, with a surge in 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.

Operational performance

On the operational front the outcomes have been mixed. In line with our strategy to increase direct procurement from farmers our direct collection of milk through Dodla Dairy Collection Centers (DDCCs) increased to 9.52 LPD (Average) from 9.21 LPD in FY20. We also increased the number of DDCCs to 6,771 as on March 31, 2021 from 6,285 in FY20. Covid induced demand drop resulted in the capacity utilization however going forward the demand and our production are increasing. We continue to improve our performance in Uganda and Kenya.

Our processing centers, chilling centers and procurement centers , along with our logistics network are the key operational strengths. The number of chilling centers increased from 86 to 94, and we added more milk tankers vehicles, routes and increased our milk agents.

Growth strategy

We have built a significant operational and brand presence through our brownfield and greenfield projects and product portfolio expansions. We continue to look for viable opportunities in organic and inorganic expansion while continue to expand our product reach through various distribution channels. Our marketing and sales team continue to work on increasing our brand recall and reach in the existing and new markets.

Overseas Operations

Our overseas operations contribute about 5% to our overall revenues, and primarily comprise of 1 processing plant in Uganda, with our products marketed in Uganda and Kenya. We have worked hard to create brand equity for ourselves, through our quality milk and about 41value added milk products.

Going Forward

At Dodla, we have tided through a difficult FY21 yet showed the much-needed operational resilience. Our endeavor is to continue to build on our strong brand equity, diversify our products, expand into strategic geographies and markets.

Quality, product stewardship and responsible manufacturing will continue to be our core operational values. We will continue to leverage our industry experience, world class infrastructure, processing expertise and strong financial position to expedite investments across our key strategic growth drivers.

Best regards,

Dodla Sunil Reddy

Managing Director

Venkat Krishna Reddy Busireddy

Chief Executive Officer

REVIEW OF FINANCIAL PERFORMANCE

Our standalone milk business is growing over the past few years, contributing incrementally to top-line and the bottom-line. Milk continues to drive the overall business at Dodla; however, the year under review has been challenging. FY21 witnessed a marginal decrease in overall revenues of the company. Despite that, we have demonstrated outperformance with a PAT of Rs. 1,260 million in FY 21 as against Rs. 499 million in FY 20. Dodla Dairy has a debt of Rs. 869 million which compares favourably to the peers in the market. The cash and cash equivalent on books stands at Rs. 1,241 million (FY21) compared to 687 (FY20). Strong cash-generating ability from core business (Net Cash Positive) resulted in Improving cash flow from operation for the last 2 years.

The company had a mixed bag in FY21 which was a direct fall out of Covid. The B2B distribution channel faced problems at the industrial level in hotels, restaurants, cafes etc. which saw subdued sales resulting from lower physical presence of customers owing to the pandemic. However, there has also been a slight increase in procurement price of milk post easing of lockdown restrictions towards the end of FY21.

Marketing and establishing a strong brand presence in the retail segment is a continuous effort and the Company is doing this by improving & deepening its presence in A Grade store, creating own retail outlets, improving B2C Market, and building our brand image.

Consolidated Financial Highlights

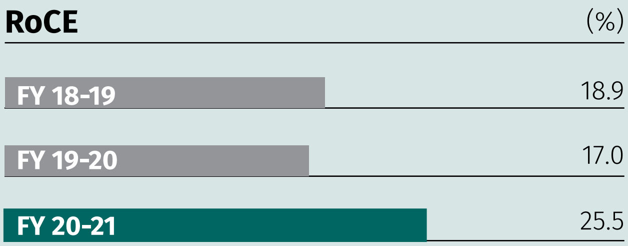
OPERATING REVENUE	(₹ in Million)
FY 18-19	16,888
FY 19-20	21,394
FY 20-21	19,440

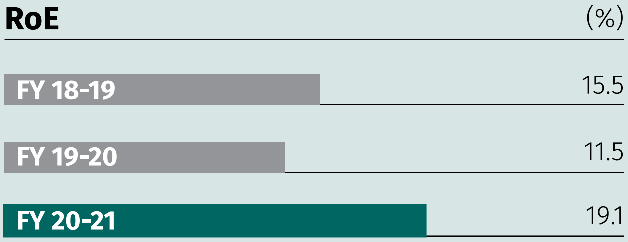
PBT	(₹ in Million)
FY 18-19	937
FY 19-20	819
FY 20-21	1,862

EBITDA	(₹ in Million)
FY 18-19	1,320
FY 19-20	1,409
FY 20-21	2,425

PAT	(₹ in Million)
FY 18-19	630
FY 19-20	499
FY 20-21	1,260

Proactive supply chain and operation planning measures enabled us to limit the impact of the COVID-19 disruption in FY21, which in turn resulted in Operating Revenue of Rs. 19,440 million, Gross Margins of 30.5%, EBITDA Margins of 12.5% and PAT Margins of 6.5%. Our ROE stands at 19.1% & ROCE at 25.5% for the year under review. These margins 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 growth rate, 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.





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CAPABILITY EXPANSION – MILESTONES

GREENFIELD PROJECT

2019

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

Second fully automated Dairy commissioned at Chendurthi, East Godavari

2017

First fully automated Dairy commissioned at Gundrampally, Hyderabad

2016

Commenced production in Palacode plant

2014

Commenced production Indargi plants

Commenced production of UHT Milk in Indragi Plant

Large scale dairy farm in pulivendula

2011

Commenced production at Tanuku plant

Commenced production in Tumkur plant

2009

Established milk powder plant and SMP plant at Nellore

2007 2004

2007: Commenced production in Badvel plant

2004: Commenced production in Palamaner plant

1997

Commenced production in Nellore plant

BROWNFIELD PROJECTS

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.

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.

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.

2013

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

2007

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

2001

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

PROCESSING CAPABILITIES

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 16,98,200 LPD.

Nellore (AP)

2,07,300 LPD

Settenapalle (AP)

46,700 LPD

Kurnool (AP)

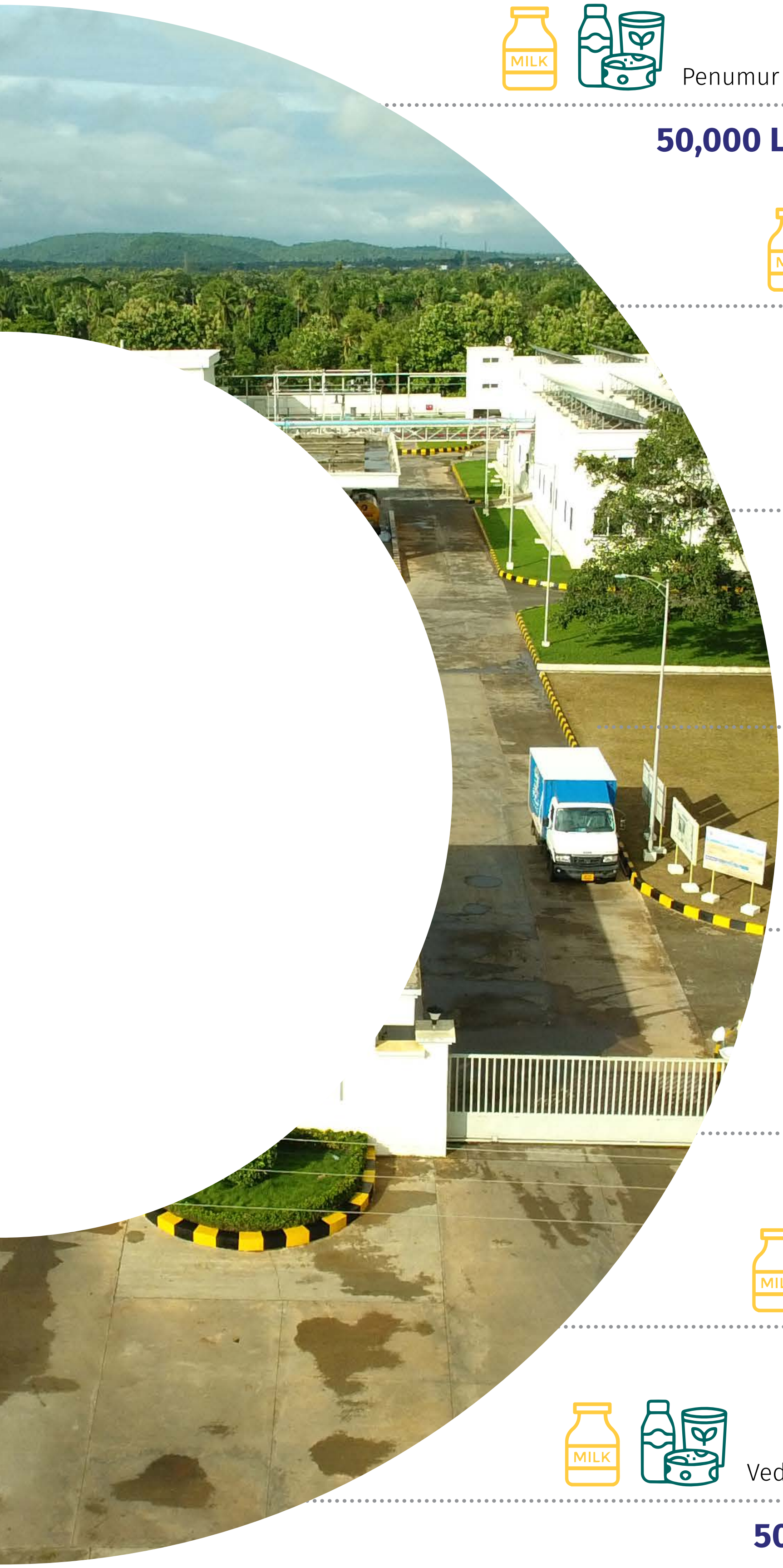
50,000 LPD

Hyderabad (TS)

2,84,200 LPD

Batlagunda (TN)

95,000 LPD



Penumur (AP)

50,000 LPD

Badvel (AP)

50,000 LPD

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

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.

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

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

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.

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.

In addition to the above, we also manufacture milk based sweets such as doodhpeda, gulab jamun, basundhi and junnu. Our milk based sweets are sold in the states of Andhra Pradesh, Tamil Nadu and Telangana.

HOW WE CREATE VALUE

1

FARMERS

We source milk from over 1,00,000 dairy farmers. Dairy farmers are the foremost stakeholders in our value chain as we have a mutually beneficial relationship with them.

1,00,000+
Dodla Dairy Farmers

6,771
DDCCs

94
Milk Chilling Centers

2

INDUSTRY RESEARCH

Through our research farm in the state of Andhra Pradesh, India, we are committed towards implementation of scientific techniques in dairy farming and allied activities. Our research and development activities are focused towards increased productivity of cattle leading to production of quality and safe milk and milk products.

3

EMPLOYEES

We believe in empowering our more than 2,551 employees to make them align with our vision, mission and values and help them achieve the professional goals. Our innovative governance enables Dodla employees feel empowered.

2,551
Employees

4

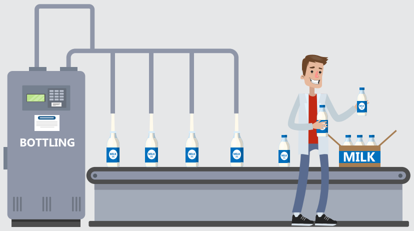
CHANNEL PARTNERS

To help our consumers make better and more sustainable choices in terms of milk and milk products , we continue to invest and collaborate to grow our product distribution channels. We activate our brands through over 5,216 Dodla retail points, distributors and agents.

3,328
Distribution Agents

1,484
Milk and Milk Product Distributors

404
Dodla Retail Parlours



5

SUPPLIERS

To accelerate for an economy of interdependence, we source materials, services and equipments from a large number suppliers – many of whom are small and micro enterprises.

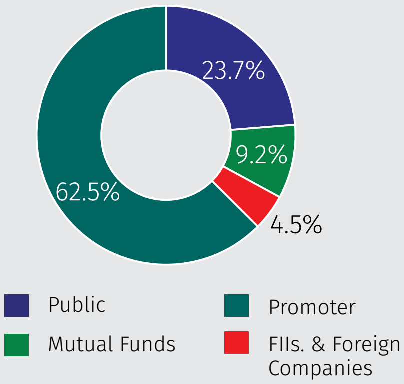
6

SHAREHOLDERS

We create sustainable value for our shareholders in a responsible way. Consistent growth both in earnings and dividends aims to provide regular and competitive returns.

62,000+
Shareholders

Shareholding Pattern



PROCESS VALUE CHAIN

Milk Procurement

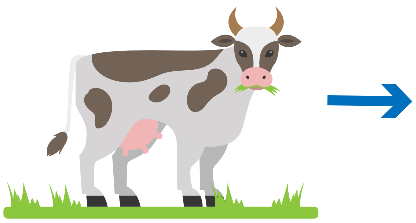
Dodla Dairy's procurement operations are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka and consist of an average procurement of 1.00 million+ LPD as of March 31, 2021 from approximately 1,00,000 farmers across 7,003 villages.

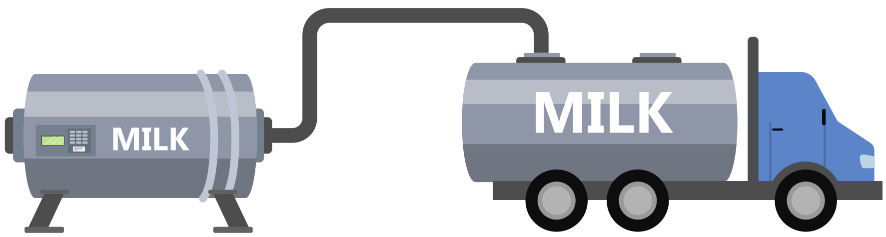
Chilling Centres

The raw milk collected from dairy farmers is transported to our chilling centres. Dodla chilling centres are strategically placed in close proximity to our raw milk procurement locations in order to maintain the freshness of the raw milk and logistic advantage. The company has 94 chilling centres across its milk procurement locations. At chilling centres adulteration and neutralizer tests are conducted as part of the quality control process

Logistics

We engage third-party logistics companies to deliver and transport raw milk from our DDCCs to our processing plants. Our logistics department focuses on overseeing and implementing stringent safety and quality standards throughout the transportation process. We ensure that the milk trucks transporting the raw milk are thoroughly cleaned and inspected by our trained personnel after each round of delivery.





Quality

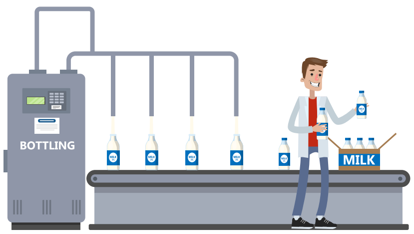
Before processing, raw milk undergoes stringent tests to ensure maintenance of required quality standards. These tests include organoleptic evaluation heat stability tests, alcohol test, acidity test, clot on boiling tests, microbiological analysis, adulterants test and antibiotics residue test, which ensure that the quality and safety of the raw milk is in compliance with the statutory standards as well as our internal quality standards. We also issue a report detailing the test results and quality indicators before the raw milk is accepted and stored by us.

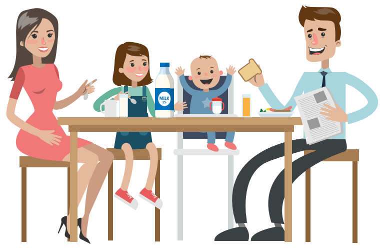
Processing

Our processing operations are spread across 13 processing plants located in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu with a total installed capacity of 1.69 MLPD. We regularly incur capital expenditure to upgrade technology across our processing plants and expand into new geographies by way of introduction of modern automated plants. We have introduced fully automated processing lines. Our processing infrastructure is designed in a manner to ensure efficient operations and high product quality standards

Products

We offer a wide range of products in both liquid milk and allied VAP categories. Our India product portfolio under the "Dodla Dairy" brand includes pasteurized & UHT milk, flavoured milk, curd, butter, ghee, butter milk, lassi, ice creams, skimmed milk power, paneer, and milk based sweets.





DODLA DAIRY FARMERS

A strong dairy farm sector ensures seamless supply of milk which in turn ensures the success of dairy companies like Dodla Dairy. Our success has been built on our strong links with the dairy farmers in our areas of operations. Various value additions for the welfare of dairy farmers over the years have empowered over 100,000 dairy farmers thus strengthening the company's relationships with them.

Direct Procurement: Direct procurement from the farmers is essential to ensure remunerative price for the milk, reliable supply, quality and for engaging with the farmer on various dairy development initiatives. The percentage of direct procurement from just 7% in FY14 has been increased to 82% in FY20 and further to 93% in FY21. From 322 DDCCs the numbers have gone up to 6771 in FY21.

Farmer Friendly Procurement: In order 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 and weigh scales which provide a transparent reading of quantity and fat content.

Dodla Chilling Centres: The raw milk collected is then transported to our chilling centres and thereafter to our processing plants. Our chilling centres are strategically placed in close proximity to our raw milk procurement locations in order to maintain the freshness of the raw milk. At our chilling centres we conduct adulteration tests and neutralizer tests.

Payment: Electronically generated receipt of the sale helps farmers understand the cash credits. We pay the farmers once every 10 to 15 days with the money being sent directly to their bank accounts.

Farmer Services: We also work with regional banks and facilitate sanctioning of loans to farmers which they utilise to invest in their cattle. The company has tied up with various veterinarians to provide services to farmers for their cattles. The company also organise various training camps with veterinarians for farmers to educate them about the best ways to prevent common diseases for their cattle.

Cattle Feed: The company's subsidiary, Orgafeed procure raw material, manufacture cattle feed and sell the same at reasonable rate through DDCCs. The installed capacity of the plant is 80 metric tonnes/day.

Dodla dairy is among the few dairy processors in the country having own dairy farm. Situated in Pulivendula in AP with over 500 animals, the art dairy farm have implemented all modern farming methods are practiced. Having own farm gives the company a first hand experience in all aspects of dairy farming.

Research and Development in dairy farming

The company is committed towards implementation of scientific techniques in dairy farming and allied activities. Our research and development activities are focused towards increased productivity of cattle leading to production of quality and safe milk and milk products. Our dairy farm focuses on breeding, nutrition and farm management, with the aim of sharing best farming practices with our farmers.

Our research activities are divided into the following focus areas:

Genetic Research

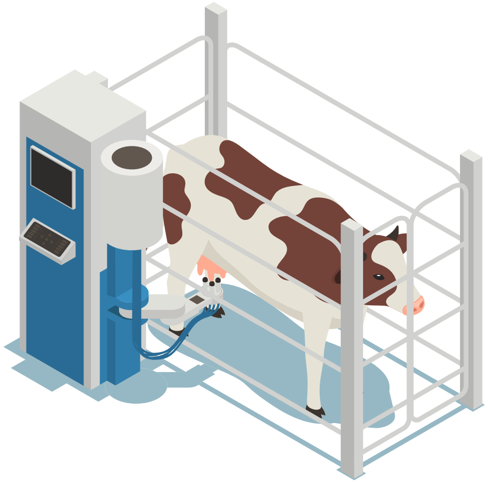
Investigation into genetic diversity and relationship between HF breed cows and varied India cattle breed to lead to improvement of dairy herd genetics that affect health, longevity and reproductive traits in cattle used for raw milk production.

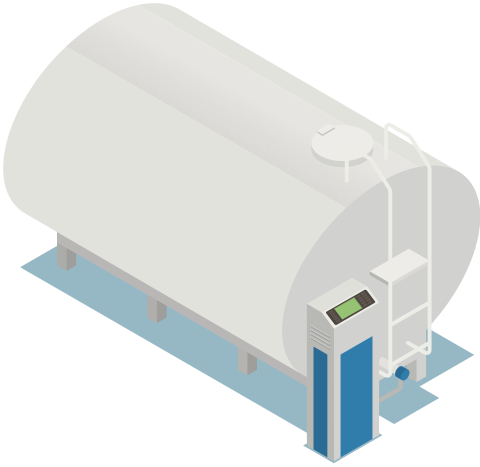
Breeding Research

We undertake research to reduce the breeding cycle of cows and on related activities including semen selection for more productive cows.

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.



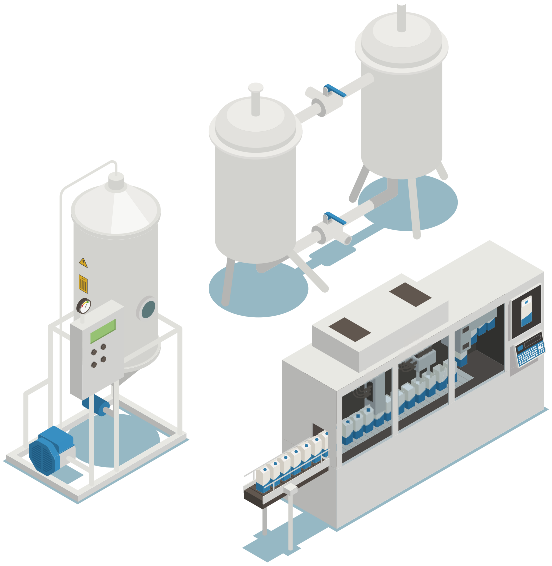


At village level DDL centres

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:

fssai

Food Safety and Standards Authority of India

All our plants and milk chilling centers have FSSAI certifications.

BIS

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

Export Inspection Council

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

ISO 22000

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

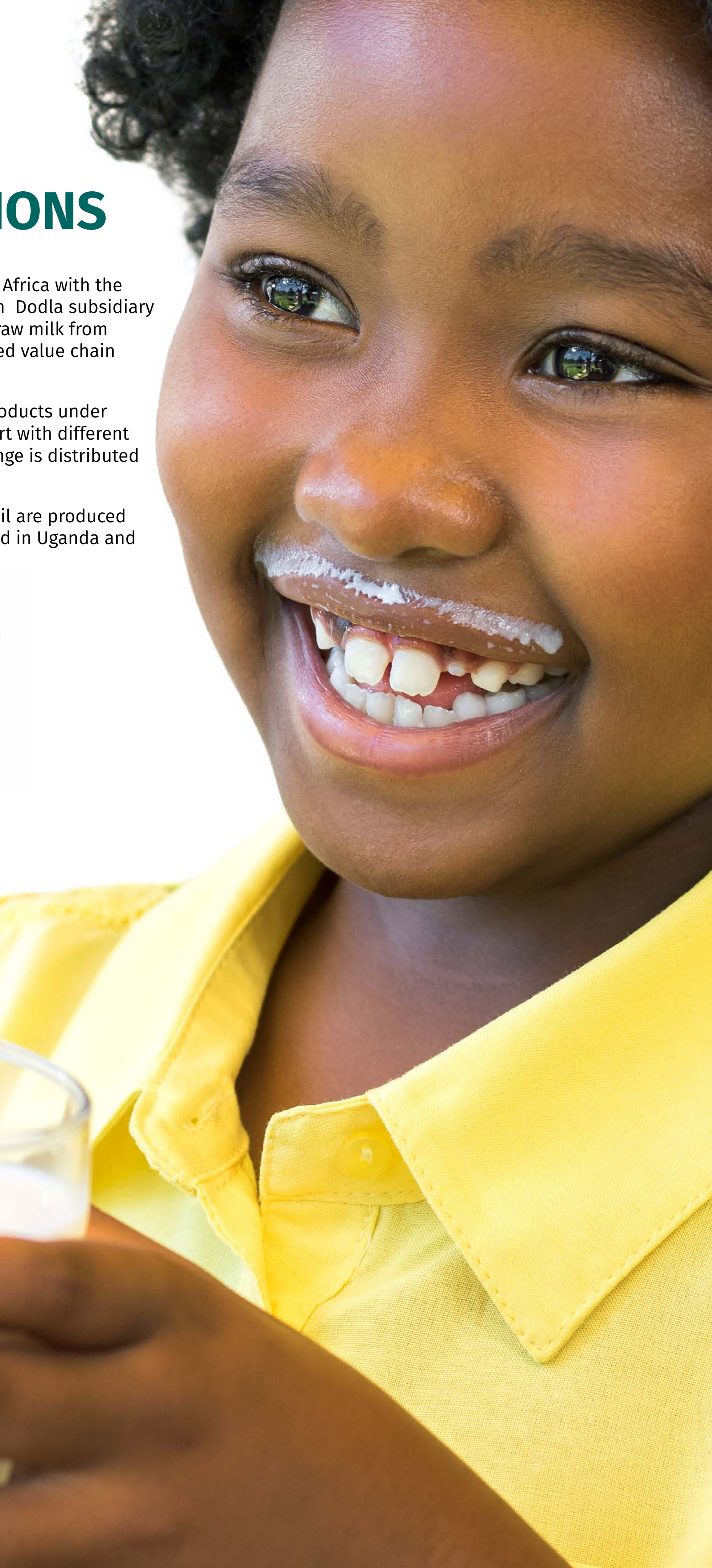
FSSC 22000

Our Hyderabad plant is FSSC 22000 certified.

ISO 50001

Two of our plants are ISO 50001 certified.

UNBS Permits



OVERSEAS OPERATIONS

In Fiscal 2015 Dodla Dairy commenced its operations in Africa with the acquisition of Hillside Dairy and Agriculture Ltd through Dodla subsidiary Lakeside Dairy Ltd in Uganda. Lakeside Dairy procures raw milk from cooperative societies in Uganda and follow an integrated value chain similar to India.

Lakeside Dairy Ltd, Uganda offers wide range of Milk Products under the brand name Dairy Top, Dodla+ comprising of yoghurt with different flavours, Ghee, Paneer, Cheese & ESL milk. Dairy Top range is distributed and sold across Uganda and Kenya.

At present packaged milk and dairy based VAPs for retail are produced from our processing plant in Uganda and are distributed in Uganda and Kenya.

OUR PEOPLE

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

Dodla's Working Atmosphere

The Company has a employee supportive work culture in terms of personal and professional relationship. Adherence to systems and procedures, open communication, respect for employees' ideas and suggestions are some of the key HRD attributes. Every employee is encouraged to respect and follow the corporate values and ethics.

Health & Safety

Apart from the ongoing people health and safety initiatives of the company, in FY21 the additional focus was for ensuring the safety of our people through sanitation and social distancing against the backdrop of the pandemic. Covid -19 vaccination program across all locations was initiated covering all regular employees and contract workers.

Digitization

Various HR activities like off boarding, transfers, confirmations, reimbursements have been digitized. Attendance capturing at all locations have been automated by way of bio-matric / face reading devises.

Performance Management system

Performance process has been digitized and gone completely paper less, covering 2500+ employees

ENVIRONMENT

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

We have decided to increase usage of renewable energy (Solar Power) while reducing consumption of energy through various interventions at our processing units, Chilling centers and Corporate Office.

KEY INITIATIVES ON ENVIRONMENT & ENERGY

Methene 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.

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.

560 MT of the plastic film being recycled reducing the plastic waste.

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
Mrs. Ponnavolu Divya	:	Independent Director
Mr. Rampraveen Swaminathan	:	Independent Director
Mr. Tallam Puranam Raman	:	Independent Director
Dr. Raja Rathinam	:	Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Busireddy Venkat Krishna Reddy	:	Chief Executive Officer
Mr. Anjaneyulu Ganji	:	Chief Financial Officer
Mrs. Ruchita Malpani	:	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. Akshay Tanna	:	Member
Mr. Dodla Sesha Reddy	:	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Dodla Sesha Reddy	:	Chairman
Mr. Akshay Tanna	:	Member
Mrs. Ponnavolu Divya	:	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

Registered & Corporate Office	:	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
Corporate Identification Number	:	L15209TG1995PLC020324

Statutory Auditors	:	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.
Internal Auditors	:	M/s. Ernst & Young LLP THE SKYVIEW 10, “South Lobby”, 18th Floor, Survey No. 83/1, Raidurgam, Hyderabad, Telangana 500081, India
Secretarial Auditors	:	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.
Bankers	:	HDFC Bank Limited ICICI Bank Limited
Registrars & Share Transfer Agents	:	KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad – 500032 Telangana, India

NOTICE

Notice is hereby given that the 26th Annual General Meeting of Dodla Dairy Limited will be held on Thursday, 23 September 2021 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 2021, 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 2021, together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. Dodla Sesha Reddy (DIN: 00520448), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors
For Dodla Dairy Limited

Sd/-
Ruchita Malpani
Company Secretary and Compliance Officer
ECSIN: EF010677B000093738

Place: Hyderabad
Date: 7 August 2021

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

    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 26th 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 Private 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.

2. 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.

3. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.

4. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution /Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to mnmandassociates@gmail.com with a copy marked to cs@dodladairy.com.

5. The Register of Members and Share Transfer Books of the Company will remain closed from 16 September 2021 to 23 September 2021 (both days inclusive).

6. 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.

7. In compliance with MCA Circular No. 20/2020 dated 5 May 2020 and Circular No. 02/2021 and SEBI Circular No. SEBI/HO/CFD/CMD 1/CIR/P/2020/79 dated 12 May 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 and 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 2021 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).

8. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before 20 September 2021 through e-mail on cs@dodladairy.com . The same will be replied by the Company suitably.

9. 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.

10. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

11. In line with the MCA Circular No. 17/2020 dated 13 April 2020, the Notice calling the e-AGM has been uploaded on the website of the Company at 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 www.bseindia.com and www.nseindia.com respectively is also available on the website of e-voting agency KFin Technologies Private Limited at the website address https://evoting.kfintech.com/

12. 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 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 20 September 2021, 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 15 September 2021 (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.

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

1. Open your web browser during the voting period and navigate to https://evoting.kfintech.com/

2. Enter the login credentials (i.e., user-id & password). Your folio/DP and Client ID will be your User - ID.

   User - ID for Members holding shares in Demat Form:

   - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
   - For CDSL: 16 digits beneficiary ID.

   Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. Please contact our toll free No. 1800 – 309 -4001 for any further clarifications.

4. Members can cast their vote online from 9.00 A.M. (IST) on 20 September 2021 to 5.00 P.M. (IST) on 22 September2021.

5. After entering these details appropriately, click on "LOGIN".

6. Members will now reach 'Password Change' menu wherein they are required to mandatorily change

their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through KFIN Technologies Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID, etc. on first login. You may also enter the 'Secret Question' and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

7. You need to login again with the new credentials.
8. On successful login, system will prompt to select the 'Event' i.e. 'Dodla Dairy Limited'.
9. If you are holding shares in Demat form and had logged on to https://evoting.kfintech.com and casted your vote earlier for any Company where the System Provider was KFIN Technologies Private Limited, then your existing login id and password given earlier are to be used.
10. On the voting page, you will see Resolution description and against the same the option FOR/AGAINST/ ABSTAIN for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the Member do not want to cast, select 'ABSTAIN' After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
11. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.

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 2020-2021.
2. Members are requested to send all communication relating to shares to the Company's Registrar and Share Transfer Agent at KFIN Technologies Private 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 in demat 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 20 September 2021 to 5.00 P.M. (IST) on 22 September 2021. During this period, the members of the Company, holding shares in demat, as on the cut-off date of 15 September 2021 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 a period not exceeding 48 hours 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 26th Annual General Meeting of the Company scheduled to be held on 23 September 2021, the results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dodladairy.com within 48 hours of conclusion of the Annual General Meeting.

By Order of the Board of Directors
For Dodla Dairy Limited

Sd/-
Ruchita Malpani
Company Secretary and Compliance Officer
ECSIN: EF010677B000093738

Place: Hyderabad
Date: 7 August 2021

ANNEXURE TO THE NOTICE DATED 7 AUGUST 2021

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, 2015and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

Particulars	Name of the Director Dodla Sesha Reddy
DIN	00520448
Date of birth and Age	10/12/1941 and Age: 79
Experience	He has been associated with our Company for more than 22 years and has dairy industry experience of more than 22 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 - Rs. 3,675,000 p.a
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	5 out of 5
Directorship Details of the Board	Nelcast Limited Dodla Enterprises Private Limited
Membership/ Chairmanship of Committees of other Boards	**NELCAST LIMITED:** **Chairman:** Stakeholders Relationship Committee **Member:** Audit Committee Nomination and remuneration committee Corporate Social Responsibility Committee

By Order of the Board of Directors
For Dodla Dairy Limited

Sd/-
Ruchita Malpani
Company Secretary and Compliance Officer
ECSIN: EF010677B000093738

Place: Hyderabad
Date: 7 August 2021

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the 26th Annual Report on the business and operations of the Company for the Financial Year ended 31 March 2021.

FINANCIAL HIGHLIGHTS

(Amount (₹) in million)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Total Income	19,503.74	21,456.49	18,446.92	19,999.77
EBITDA	2,424.67	1,409.26	2,168.93	979.46
Finance Cost	118.92	161.39	118.53	161.03
Depreciation, Amortisation, Impairment	507.27	491.92	473.50	463.35
Profit Before Tax	1,862.16	818.71	1,654.78	478.69
Current Tax	515.25	211.35	503.02	119.47
Deferred Tax charge	87.21	108.65	67.82	74.51
Interim Dividend Paid (₹ /Share)	0	5.2	0	5.2
Paid up Equity Share Capital	583.25	556.72	583.25	556.72
Basic Earnings per Equity Share (in ₹)	22.48	8.96	19.34	5.11
Reserves	5,996.45	3,778.24	5,459.27	3,413.07

STATE OF AFFAIRS / COMPANY'S PERFORMANCE

On consolidated basis, the revenue from operations for FY 2021 was 19,440.06 Million, lower by 9.13% over the previous year's revenue of 21,393.73 Million. The profit after tax (PAT) attributable to shareholders for FY 2021 and FY 2020 was 1259.70 Million and 498.71 Million, respectively.

On a standalone basis, the revenue from operations for FY 2021 was 18369.04 Million, lower by 7.58 percent over the previous year's revenue of 19,876.16 Million in FY 2020. The profit after tax (PAT) attributable to shareholders for FY 2021 and FY 2020 was 1083.94 Million and 284.71 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.

COVID-19 IMPACT

In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious. However, the Government classified Dairy business as "Essential Commodity" and granted certain relaxations and guidelines so that production, processing and distribution of Milk and milk products are not affected. The Company's production, processing and supply chain facilities remain in operation during lockdown period, following safety measures as per guidelines issued by the Government. Thus, the impact of COVID-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of Goodwill, receivables, inventories, certain investments and other financial assets considering the available internal and external information up to the date of approval of financial statements and made adjustments wherever necessary. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets. The actual impact of global health pandemic may be different from that estimated as at the date of approval of financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

DIVIDEND

The company has not declared any dividend.

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).

TRANSFER TO RESERVES

During the year the Company has transferred an amount of ₹ 34.61 Million (31 March 2020 –₹ 12.86 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

SHARE CAPITAL

The Paid-up Share Capital of the Company as on 31 March 2021 is Rs. 583,245,110 divided into 58,324,511 Equity Shares of Rs. 10 each fully paid up.

INITIAL PUBLIC OFFERING

The Company's Initial Public Offering (IPO) of equity shares of face value of ₹10 each ("Equity Shares") hit the market with its Rs 520 crore initial public offering (IPO), the issue was opened from 16 June to 18 June 2021, and was subscribed 45.62x times. The public issue subscribed 11.34x in the retail category, 84.88x in the QIB category, and 73.26x in the NII category.

On the block was a fresh issue of up to Rs 50 crore worth of shares and an offer for sale of up to 10,985,444 shares, which was sold at a price band of Rs 421-428 per equity share. Out of this, the company has raised Rs 156 crore from anchor investors at Rs 428 apiece.

The shares made a strong market debut on the Listing Day, on Monday, 28 June 2021, as the scrip got listed at Rs 550 on NSE, a 28.50 per cent premium over its issue price of Rs 428. On BSE, the stock debuted at Rs 528, up 23.26 per cent.

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.

LISTING OF EQUITY SHARES

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

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

(ii) National Stock Exchange of India Limited, 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.

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 2021. 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/static/downloads/subsidiary-policy.pdf

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 2021 is appended to this Report as **Annexure – II.**

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements for the financial year ended 31 March 2021 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 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 2020-21, no company ceased to be subsidiary of the company and your company does not have any associates or joint ventures.

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 is provided in a separate section and forms an integral part of this Report.

DIRECTORS AND 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)
Ruchita Malpani	:	Company Secretary & Compliance officer (CS & CO)
***Anjaneyulu Ganji**	:	Chief Financial Officer (CFO)

***Anjaneyulu Ganji** was appointed as the Chief Financial Officer and KMP of the company w.e.f. 25 January 2021 in place of Hemanth Kundavaram who has resigned from the position of Chief Financial Officer and KMP w.e.f 1 January 2021 and.

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
Ponnavolu Divya	:	Independent Director
Rampraveen Swaminathan	:	Independent Director
Tallam Puranam Raman	:	Independent Director
# Kishore Mirchandani	:	Independent Director

** Dr. Raja Rathinam was appointed as additional director in the category of Non-executive Independent Director w.e.f 01 February 2021. Subsequently resolution proposing the appointment of Dr. Raja Rathinam as Independent Director of the Company was placed before the Shareholders at its Extra-Ordinary General Meeting held on 3 February 2021 and the same has been approved.

Kishore Mirchandani has resigned from the office of Independent Director of the company w.e.f 21 January 2021.

During the year under review:

Dodla Sesha Reddy retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

As required under regulation 17(1A) of SEBI Listing Regulations, 2015, consent of the members by way of Special Resolution is sought by the Company in compliance with regulation 17(1A) of SEBI Listing Regulations, 2015, for continuance of Dodla Sesha Reddy and Raman Tallam Puranam as non-executive director of the Company beyond the age of 75 years has taken shareholders' approval at its Extra-Ordinary General Meeting held on 3 February 2021.

Re-Appointment of Dodla Sunil Reddy as Managing Director of the company for a period of five years w.e.f 1 April 2021 on the terms and conditions as approved by the members at its Extra-Ordinary General Meeting held on 3 February 2021.

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

MEETINGS OF THE BOARD

A calendar of Meeting is prepared and circulated in advance to the Directors. The Board evaluates all the decisions on a collective consensus basis amongst the Directors. The intervening gap between the Meetings was within the period prescribed under the Act.

The constitution of the Board is in Compliance with the provisions of Section 149 of the Companies Act, 2013, and the Listing Regulations.

During the year, the Board met 5 (five) times i.e., on 15 July 2020, 30 October 2020, 2 February 2021, 4 February 2021 and 15 February 2021.

Details of the attendance of the Directors at the Board meetings held during the year ended 31 March 2021 are as follows:

Name of the Director	Number of Board Meetings	
	Held	Attended
Dodla Sesha Reddy	5	5
Dodla Sunil Reddy	5	5
A Madhusudhana Reddy	5	5
Akshay Tanna	5	5
Kishore Mirchandani (Upto 21 January 2021)	2	1
Ponnavolu Divya	5	4
Rampraveen Swaminathan	5	5
Tallam Puranam Raman	5	5
Dr. Raja Rathinam (w.e.f 1 February 2021)	3	2

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

The board has reconstituted the Audit Committee at its board meeting held on 2 February 2021, pursuant to the resignation of Mr. Kishore Mirchandani and appointed Dr. Raja Rathinam as member of the committee.

There has been no such incidence where the Board has not accepted the recommendations of the Audit Committee during the year under review.

During the period, the Audit Committee met 4 (Four) times on 14 July 2020, 30 October 2020, 1 February 2021 and 4 February 2021.

Details of the attendance of the Audit Committee held during the year ended 31 March 2021 are as follows:

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
Tallam Puranam Raman	4	4
Rampraveen Swaminathan	4	4
Dodla Sunil Reddy	4	4
Kishore Mirchandani (Upto 21 January 2021)	2	1
Dr. Raja Rathinam (w.e.f 1 February 2021)	2	1

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 Sesha Reddy	Member	Non Executive Non-Independent Director
Akshay Tanna	Member	Nominee Director

The board has reconstituted the Nomination, Remuneration and Compensation Committee at its board meeting dated 2 February 2021, pursuant to the resignation of Mr. Kishore Mirchandani.

During the period the Nomination, Remuneration and Compensation Committee met 3 (Three) times on 15 July 2020, 29 October 2020 and 1 February 2021.

Details of the attendance of the Nomination, Remuneration and Compensation Committee held during the year ended 31 March 2021 are as follows:

Name of the Director	Number of Nomination, Remuneration and Compensation Committee Meetings	
	Held	Attended
Rampraveen Swaminathan	3	3
Raman Tallam Puranam	1	1
Dodla Sesha Reddy	3	3
Akshay Tanna	3	3
Kishore Mirchandani (Upto 21 January 2021)	2	1

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 Financial Year, Stakeholders Relationship Committee did not meet.

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 Sesha Reddy	Chairman	Non-Executive Non-Independent Director
Akshay Tanna	Member	Nominee Director
Ponnavolu Divya	Member	Independent Director

During the period Corporate Social Responsibility (CSR) Committee met 1 (One) time i.e., on 14 July 2020.

Details of the attendance of the Corporate Social Responsibility (CSR) Committee held during the year ended 31 March 2021 are as follows

Name of the Director	Number of Corporate Social Responsibility (CSR) Committee Meetings	
	Held	Attended
Dodla Sesha Reddy	1	1
Akshay Tanna	1	1
Ponnavolu Divya	1	1

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

The board reconstituted the IPO Committee at its board meeting dated 2 February 2021, pursuant to the resignation of Mr. Kishore Mirchandani.

The IPO Committee did not meet during the financial year under review.

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

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTOR AS PER SECTION 149 (6)

The Company has received necessary declarations from each of the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in Section 149(6).

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 20 March, 2021, 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;

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;
- 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 on 5 January 2017.

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.

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 https://www.dodladairy.com/static/downloads/policies/familation-programme.pdf

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 https://www.dodladairy.com/static/downloads/code-of-conduct.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

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

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

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year under review.

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 1st 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 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.

Disclosure pursuant to Rule 9 Chapter IV of The Companies (Share Capital and Debenture) Rules, 2014

Sl. No	Description	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

PARTICULARS OF EMPLOYEES

No Employee is drawing in excess of remuneration in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 except as stated in the Annual Return of the company appended to this report.

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 2021 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 developed 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 2021 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 https://www.dodladairy.com/static/downloads/dodla-draft-related-party-policy.pdf

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT-9 is appended to this Report as **Annexure – IV.**

CORPORATE SOCIAL RESPONSIBILTY 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: https://www.dodladairy.com/csr_policy

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.**

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 **Annexure – VII**.

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, B S R & 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 24th Annual General Meeting of the Company, i.e., up to the conclusion of the 27th Annual General Meeting of the Company.

Accordingly, B S R & 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 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. MNM & Associates, Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended 31 March 2021.

The Secretarial Audit Report is appended to this report as **Annexure - VIII** which is self-explanatory and the further explanation to same is provided in CSR Report appended as **Annexure - V** to this report.

Internal Auditors

The Board of Directors of the Company has appointed Ernst & Young LLP as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31 March 2021.

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/static/downloads/Vigil-Mechanism.pdf

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/static/downloads/audit-and-risk-mgt-committee-charter.pdf

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/static/downloads/psh-policy.pdf

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

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 Ruchita Malpani, Company Secretary as Compliance Officer, 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.

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 - IX**

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There were no material changes and commitments affecting financial position of the company between 31 March 2021 and the date of this Report.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS

There is no significant order passed by the regulators or Courts during the year under review.

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 2021, 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 whom all are Non-Executive and three are 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.

BUSINESS RESPONSIBILITY REPORT

The 'Business Responsibility Report' (BRR) is not applicable to your Company for the year ended 31 March 2021.

INSURANCE

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

CREDIT RATING

During the Financial Year ended 31 March 2021 ICRA Limited, credit rating agency has given "[ICRA]A+ (Positive)" for the bank limits rated long term scale and long-term, [ICRA]A1+ for the bank limits rated short term scale and ICRA]A+ (Positive) reaffirmed for instruments related of the Company.

QUALITY

Dodla always strives for Zero Defects and Zero Waste Attitude in everything we do by adopting a continuous improvement culture.

All functions across the value chain are fully responsible for observing mandatory principles, norms, and instructions for maintaining agreed quality standards and constantly improving them. Quality is Everybody's Commitment.

All plants are certified with international standard of FSSC22000 V5 or ISO 22000:2018.

BRANDING

Your Company is working on new products development which is in line with the current consumer trend and our mission of bringing for healthier life. On the communication front company is focusing on social & digital media platforms as these have become an important source of seeking information leading to brand evaluation & adoption.

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.

HUMAN RESOURCES

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication, meetings, and negotiation.

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, lenders including bankers whose assistance and 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

	Sd/-	Sd/-
	Dodla Sunil Reddy	**Dodla Sesha Reddy**
Place: Hyderabad	Managing Director	Director
Date: 7 August 2021	DIN: 00794889	DIN: 00520448

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

ANNEXURE INDEX

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 $	**USh in '000**	**In Kshs.**	₹ **In** Thousands
1.	Name of the subsidiary	Dodla Holdings Pte. Limited (WOS)	Lakeside Dairy Limited (SDS)	Dodla Dairy Kenya Limited (SDS)	Orgafeed Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April 2020 to 31 March 2021			
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD = 73.16608 ₹	USh = 0.01996 ₹	Ksh = 0.66890 ₹	INR
4.	Share capital	6,500,000	2,000,000	2,500,000	30,000
5.	Reserves & surplus	63,575	27,679,031	(7,067,033)	(16,052.76)
6.	Total Assets	6,563,575	36,291,937	55,729,388	225,393.57
7.	Total Liabilities	13,251	6,612,906	60,296,421	211,446.33
8.	Investments	1,401,336	0	0	0
9.	Turnover	0	55,543,458	1,094,704,467	220,097.90
10.	Profit before taxation	(9,728)	10,089,537	(5,752,077)	14,549.76
11.	Provision for taxation	(1,031)	(733,675)	216,874	15,389.74
12.	Profit /(Loss) after taxation	(10,759)	9,355,862	(5,535,204)	(839.98)
13.	Proposed Dividend	0	14,751,440	0	0
14.	% of shareholding	100%	0%	0%	100%
15.	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 2021
2	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%
3	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
4	Reason why the associate/joint venture is not consolidated	Investment in GVC is accounted under equity method as per IndAS 28 Investments in Associates
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	21,454,439/-
6	Profit/(loss) for the year	1,40,653/-
i.	Considered in Consolidation	NA
ii.	Not Considered in Consolidation	yes

1. Names of associates or joint ventures which are yet to commence operations. NIL
2. 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

Sd/-
Dodla Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
Dodla Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 7 August 2021

ANNEXURE- II

FORM NO. AOC -1

Report on the performance and Financial position of each of the Subsidiaries, Associates and Joint Ventures Companies of the Company (Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

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	Invest-ments	Turnover	Profit/ (Loss) before Taxation	Tax Expense/ (Benefit)	Profit/ (Loss) after Taxation	Other Compre-hensive Income / (Loss)	Total Compre-hensive Income / (Loss)	Proposed Dividend	% of share holding	Contri-bution to the overall perfor-mance of the Company
Dodla Holdings Pte. Limited	20-06-14	31-03-21	USD = 73.16608 ₹	6,500,000	63,575	6,563,575	6,563,575	1,401,336	0	-9,728	-1,031	-10,759	0	-10759	0	100	-0.06
Lakeside Dairy Limited	15-07-14	31-03-21	USh = 0.01996 ₹	2,000,000	27,679,031	36,291,937	6,612,906	0	55,543,458	10,089,537	-733,675	9,355,862	0	9355862	14,751,440	0	14.78
Dodla Dairy Kenya Limited	24-05-17	31-03-21	In Kshs.	2,500,000	-7,067,033	55,729,388	60,296,421	0	1,094,704,467	-5,752,077	216,874	-5,535,204	0	-5535204	0	0	-0.3
Orgafeed Private Limited	28-08-19	31-03-21	₹ In Thousands	30,000	-16,052.76	225,393.57	211,446.33	0	220,097.90	14,549.76	153891.8	-839.98	0	-839.98	0	100	-0.07

Names of subsidiaries which have been liquidated or sold during the year: NIL

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: 7 August 2021

PART B- ASSOCIATES 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-Mar-2016	31-Mar-2021	38,66,923	3,86,69,230	47.88%	Based on the percentage of holding over these investees	It has been consolidated	2,14,54,439	1,40,653

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

Sd/-
Dodla Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
Dodla Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 7 August 2021

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

World Economy

One year into the COVID-19 epidemic and the global economy still faces severe social and economic pressure as the human toll grows and millions remain jobless. Yet, even with considerable uncertainty about the course of the pandemic, a way out of this health and economic catastrophe is becoming apparent. Thanks to the ingenuity of the scientific community hundreds of millions of individuals are being vaccinated and this is anticipated to fuel recoveries in many nations later this year. Economies also continue to adjust to new methods of working despite various complications, resulting in a stronger-than-anticipated recovery across geographies. Additional fiscal support from the global government has significantly enhanced the prospects. Global growth is projected at 6 percent in 2021, decreasing to 4.4 percent in 2022. The forecasts for 2021 and 2022 are stronger than in the October 2020 WEO report of the IMF.

The report notes that the future relies not only on the result of the fight between the virus and vaccines—it also hinges on how successfully economic measures implemented under high uncertainty can minimize permanent harm from this unprecedented calamity. The greater adjustment includes further fiscal support in a few large economies, the anticipated vaccine-powered resurgence in the second half of 2021, and ongoing adaptation of economic activity to subdued mobility. High uncertainty surrounds this forecast, linked to the trajectory of the pandemic, the efficacy of governmental assistance to create a bridge to vaccine-powered normalcy, and the development of financial prospects. Uneven recoveries are also happening within nations as young and lower-skilled employees remain more severely impacted. Women have also suffered more, particularly in emerging markets and developing economies. Because the crisis has intensified the transformational processes of digitization and automation, many of the jobs lost are unlikely to return, necessitating worker reallocation across sectors—which often comes with severe earnings disadvantages.

Indian Economy

India is among the world's fastest-growing economies. Over the last four fiscal years, India's macroeconomic position has gradually improved: twin deficits (current account and fiscal) have decreased, and the growth-inflation balance has improved and has enhanced sustainably. Both fiscal and monetary policies are more cautious, with an emphasis on improving the quality of growth rather than the rate. The government has implemented an inflation-targeting framework, which establishes an institutional mechanism for price stability, while modernizing central banking. Fiscal policy has remained marginally growth-oriented, while gradually reducing the deficit. As a result, India's macroeconomic variables are far more stable, and with adequately high foreign currency reserves, the economy is much more robust to global shocks than it was during the 2013 taper tantrum.

According to a recent July assessment by the IMF, India's growth prospects have been lowered as a result of the severe second COVID wave in March-May and the anticipated sluggish recovery in confidence following that setback. Additionally, the report notes that countries that fall behind in immunization, like India, may bear the brunt if a highly transmissible virus strain emerges.

India Dairy Industry

For decades, India has been a global leader in the production and consumption of dairy products. The Indian dairy industry, which has over 300 million bovines and will produce over 198 million tonnes of milk in 2019-20, has high development potential, according to the National Dairy Development Board (NDDB). It anticipates a Pan-India demand for milk and milk products of 266.5 million metric tonnes in 2030. Additionally, almost all dairy products produced in India are consumed domestically, with a bulk sold as fluid milk. As a result, the Indian dairy sector is primed for value addition and comprehensive advancement. Along with providing lucrative financial prospects, India's dairy sector catalyses socioeconomic growth. Keeping this in mind, the Indian government has also established several programs and initiatives targeted at developing the country's dairy industry.

While organized dairy in India has grown steadily over the previous decade, it took a severe blow last fiscal year due to the pandemic-induced lockdowns. In 2020-21, the industry expanded by a meagre 1%–the slowest pace in a decade. However, with supply chain and delivery mechanisms having improved this year, it is expected to expand more rapidly in the future. According to the study, the industry is projected to rebound, with organized companies forecasting a strong 5-6 percent growth rate, or 1.5 lakh crore in sector revenue creation in 2021-22, according to a report by CRISIL. This is a result of the resurgence of demand for value-added products (VAP) and liquid milk. This would also result in a 5-7 percent increase in milk procurement costs in 2021-22. A continuous increase in procurement prices will benefit not just the organized sector's profitability, but also the unorganized sector's revenue in rural regions. This incentivizes farmers to take better care of their cattle, resulting in an increased milk output.

OPPORTUNITIES AND THREATS

Milk and milk products account for a significant portion of the value of output from the livestock subsector of the economy, growing from less than 50% in 1950-51 to 66.63 percent in 2018-19. Milk has surpassed wheat as the single biggest agricultural product in terms of value produced. The value of milk production has exceeded the value of food grain production. Historically, the Indian dairy business has been dominated by the unorganized sector and self-consumption. According to the CRISIL Research projections for FY21, the organized sector accounts for about 40% of milk sales (Dairy cooperatives account for 20%, producer firms account for 1%, and private dairies account for 19%), while the unorganized sector accounts for 60%. CRISIL forecasts organized dairy in India to expand at a considerably higher rate than the unorganized sector over the next five years, ultimately accounting for 45 percent of total dairy consumption. Private players have outpaced co-operatives over the last five years, expanding at a 15% rate compared to the industry's average growth of 13%. CRISIL projected that this trend will continue, with private dairies expanding faster than cooperatives, owing to their agile organizational structure and capacity to implement technology. While increasing consumerism, urbanization, and a desire for branded packaged foods are anticipated to be the primary supply-side drivers, private companies' investment in expanding their processing facilities will help them gain market share.

Even mild shocks may have a significant impact on milk producers. For example, even minor changes in consumer employment and income may have a large effect on milk demand. The industry is extremely fragmented, with many small as well as large producers vying for market share and competence. The market is very competitive, making it difficult for smaller businesses to thrive. The drop in out-of-home consumption, as well as the Food Services channel, would create difficulties for dairy businesses, while competition in the consumer sector would increase. Adulterated products continue to plague the market, posing a significant health danger to consumers.

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

The company is primarily engaged in one business segment namely the Food segment under IND AS 108 - "Operating segment" and hence, Segment-wise Performance of the Company has not been provided.

The group has a presence outside India, through our wholly owned subsidiaries: Dodla Holdings Pte. Limited, Lakeside Dairy Limited, and Dodla Dairy Kenya Limited. In the year gone by, revenue from our India operations was Rs 18,371.50 million as compared to Rs 19,867 million in FY20 and continues to be our main driving region. Our Outside India operations revenue remained substantially modest at 5.5% of our total income and, in absolute terms, was Rs. 1,068.56 million as compared to Rs. 1,517.57 million in FY20. The Company management & board has made a conscious decision not to expand its operations further in Africa, owing to the inherent risks in the continent.

OUTLOOK

Revenue decrease in FY21 which was affected adversely by the covid-induced shutdown. While the majority of products were classified as essential services and were quickly returned to the retail market, decreased demand from hotels, restaurants, and cafés, as well as decreased out-of-home use of milk products, subdued demand. Thus, the revenue decreased in FY21, but as the lockdown situation eases and economic activity resumes normalcy, sales are bound to rebound.

As the company focuses on margin-enhancing efforts such as shifting its portfolio towards value-added goods, it anticipates that its margins will rise as the company's proportion of value-added products increases from its present level. India is experiencing a shift from plain milk production to the manufacture of VAPs, as well as from an unorganized/local market to a more organized market. With a rising population, more disposable income, increasing per capita consumption, a growing vegetarian population, and increased need for hygiene, the market for VAPs and milk is certain to grow. The Indian VAP market shrank by 3% last fiscal year, owing to pandemic-related limitations affecting the restaurant, hotel, and café sectors (contributing 20 percent to the organized sector revenue). Additionally, the recovery of demand for specific VAP categories such as lassi, buttermilk, flavoured milk, and ice cream, which are in high demand during the summer, has been slowed by extended limitations. However, the VAP market is projected to grow by an estimated 7% in the current fiscal year, owing to increased demand for ghee, butter, cheese, and milk powder as per the CRISIL report. Similarly, liquid milk sales fell to 3% last year, compared to the anticipated 5% this year. Demand for VAP products and liquid milk is anticipated to increase significantly as food delivery continues and home consumption increases.

At present, the Company has almost eliminated milk procurement via agents and aims to increase its direct procurement from farmers to 100 percent. This will help the company in several ways: It will lower procurement costs;

it will enhance the quality of milk, and it will promote the development of a loyal farmer network. Additionally, this has aided the company in lowering its working capital. Direct milk procurement also enables cross-selling of cattle feed to farmers, enabling long-term connections with the farmer community. The company is now using this network to cross-sell cattle feed produced by its existing subsidiary. The company consciously lowered its procurement of buffalo milk and increased its intake of cow milk to take advantage of its abundant supply in its operating region.

RISKS AND CONCERNS

Revenue growth was muted in FY2021 because of the Covid-19 induced lockdown. While the second wave of the Covid19 pandemic had impacted sales during the current year's peak season (summer, i.e., March – June), demand is anticipated to improve in the following quarters. Additionally, the recently increased capacity of the company is expected to support revenue growth in FY2022, while operating margins are expected to remain strong. 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. Profit margins are vulnerable to raw material price fluctuation (mainly milk procurement prices). In FY2021, the reduced milk prices have increased margins. The spiralling fuel-oil prices continues to remain a concern for company.

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, 2021, there are 2,551 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.

FINANCIAL PERFORMANCE (ON A CONSOLIDATED BASIS)

In terms of the operative business climate, the year under review has been challenging. The global and national economic downturns have influenced company volumes. Despite all odds, the company was able to maintain earnings.

(Rs in millions)

Particular	2019-2020	2020-2021
Revenue from Operations	21,393.73	19,440.06
Other Income	62.76	63.68
Total Income	**21,456.49**	**19,503.74**
Cost of materials consumed	15,830.77	13,662.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	575.01	(152.68)
Employee benefits expenses	911.15	897.99
Finance Costs	161.39	118.92
Depreciation and Amortization Expenses	491.92	507.28
Other expenses	2,667.54	2,608.08
Profit for the year before extra-ordinary item and tax expenses	**818.71**	**1,862.16**
Extra-Ordinary Item	-	-
Profit for the year before tax expenses	818.71	1,862.16
Tax Expenses	320.00	602.46
Profit after Tax	498.71	1,259.70

RESULTS OF OPERATIONS (ON A CONSOLIDATED BASIS)

During the year under review, the Company on a Consolidated basis earned a total income of Rs. 19,503.74 million compared to Rs. 21456.49 million in the previous year a decrease of 9.1%.

The profit after tax (PAT) stood at Rs 1259.70 million (Previous year Rs. 498.71 million) an increase of 152.6%.

Key Financial Ratios as per SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018;

Particular	Units	2019-2020	2020-2021
Debtors Turnover Ratio a	Times (x)	297.01	397.55
Inventory Turnover Ratio (on Cost of Goods Sold)	Times (x)	13.39	12.49
Interest Coverage Ratio b	Times (x)	6.07	16.66
Current Ratio c	Times (x)	1.03	2.07
Debt Equity Ratio d	Times (x)	0.35	0.13
Operating Profit (PBIT) Margin (%) e	%	4.6%	10.2%
Net Profit Margin (%) f	%	2.3%	6.5%
Return on Net Worth (RoNW) g	%	11.5%	19.1%

Notes on Significant deviation in the values:

a) The change of ~34% is significantly due to effective collection of receivables.

b) Increase in interest coverage ratio is due to reduction of interest cost by reducing working capital utilization and repayment of LT loans

c) Increase is due to receipt of money from Fresh issue of equity share capital to IFC and internal accruals

d) Reduction of Long-Term Borrowings by ~39% & unutilized working capital limits

e) The increase is due to procurement prices declined marginally as the Covid-19 pandemic lowered the demand from hotels and confectioneries for milk and milk products, coupled with higher sales realization with an optimum product mix.

f) The increase is due to procurement prices declined marginally as the Covid-19 pandemic lowered the demand from hotels and confectioneries for milk and milk products, coupled with higher sales realization with an optimum product mix.

g) Increase in Net profit margins as comparing to previous year

CAUTIONARY STATEMENT

Some of the statements in this “Management Discussion and Analysis”, describing the Company’s objectives, projections, estimates, expectations, and predictions may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company’s operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, based on any subsequent developments, information or events.

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 2021, 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 2021, 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	0.96
Hanslot Pile Foundation	Enterprise over which KMP have significant influence	Lease Rent Paid	0.30
Dodla Nutri Feeds LLP	Enterprise over which KMP have significant influence	Rent paid	0.19
D Soft India Private Limited	Enterprise over which KMP have significant influence	Software maintenance expenses	0.60
Global Vetmed Concept Private Limited ('GVC')	Associate Company	Purchase of Raw Material	9.82
		Expenditure incurred on behalf of GVC	6.44
Lakeside Dairy Limited	Subsidiary Company	Expenditure incurred	0.49
		Consultancy Income	1.29
Dodla Dairy Kenya Limited	Subsidiary Company	Expenditure incurred	0.18
		Consultancy Income	0.41
Dodla Holdings Pte Ltd	Subsidiary Company	Consultancy Income	0.06
Orgafeed Private Limited	Subsidiary Company	Expenditure Incurred	0.05
		Interest Income	17.98
		Consultancy Income	0.53
		Lease Rent Received	0.12
		Sale of asset*	0.00

Name of the Related Party	Nature of Relationship	Salient Terms	Amount in rupees million
Dodla Sesha Reddy	Relative of KMP	Consultancy Fees	3.68
Dodla Silpa Reddy	Relative of KMP	Consultancy Fees	0.90

Note:

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

* Sale of asset - Rs. 2

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: 7 August 2021

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: Rs. **187,009,444/-** Maximum amount of loans/Advances/Investments outstanding during the year: **198,010,000/-** Loans and advances in the nature of loans to associate Company Global Vetmed Concepts India Private Limited: Rs. **NIL** 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

Sd/-
Dodla Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
Dodla Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 7 August 2021

ANNEXURE - IV

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31 March 2021

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

S. No	Particulars	Details
i.	CIN	L15209TG1995PLC020324
ii.	Registration date	15 May 1995
iii.	Name of the Company	Dodla Dairy Limited
iv.	Category / Sub-Category	Company Limited by Shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	8-2-293/82/A/270-Q, Road No 10-C, Jubilee hills, Hyderabad - 500033, Telangana, India; Tel No.: 040-45467777 e-Mail: cs@dodladairy.com
vi.	Whether listed Company	The Company is listed with effect from 28 June 2021 on below stock exchanges: i. BSE Limited ii. National Stock Exchange of India Limited
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 Telangana, India Phone: +91 40 6716 1606 Email id: einward.ris@kfintech.com Website: https://www.kfintech.com and / or https://ris.kfintech.com/ Toll free number - 1- 800-309-4001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The following are the business activities contributing 10% or more of the total turnover of the Company

S. No	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
i.	Manufacture of dairy products Wholesale of raw milk & dairy products	1050, 46302 (NIC 2008)	99.57%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The following are the details

S. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
i.	Dodla Holdings Pte. Limited, Singapore	UEN: 201418023E	Subsidiary	100	2(87)
ii.	Lakeside Dairy Limited	--	Step-Down Subsidiary	Nil	2(87)
iii.	Dodla Dairy Kenya Limited	--	Step-Down Subsidiary	Nil	2(87)
iv.	Global Vetmed Concepts India Private Limited	U15400TG2009PTC063052	Associate	48	2(6)
v.	Orgafeed Private Limited	U15400TG2019PTC135071	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) INDIAN									
a) Individual* / HUF	1,68,16,479	Nil	1,68,16,479	30.21	1,68,16,479	Nil	1,68,16,479	28.84	-1.38
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	7,000,000	Nil	7,000,000	12.57	7,000,000	Nil	7,000,000	12.00	-0.57
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other Trust	16,144,877	Nil	16,144,877	29.00	16,144,877	Nil	16,144,877	27.68	-1.32
Sub-total (A) (1):	**3,99,61,356**	**Nil**	**3,99,61,356**	**71.78**	**3,99,61,356**	**Nil**	**3,99,61,356**	**68.52**	**-3.26**
(2) Foreign									
a) NRIs- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other–Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**3,99,61,356**	**Nil**	**3,99,61,356**	**71.78**	**3,99,61,356**	**Nil**	**3,99,61,356**	**68.52**	**-3.26**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI /Non FII	Nil	Nil	Nil	Nil	26,52,520	Nil	26,52,520	4.55	+4.55
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):	**Nil**	**Nil**	**Nil**	**Nil**	**26,52,520**	**Nil**	**26,52,520**	**4.55**	**+4.55**
2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	15,031,434	Nil	15,031,434	27.00	15,031,434	Nil	15,031,434	25.77	-1.23
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6,79,201	Nil	6,79,201	1.22	6,79,201	Nil	6,79,201	1.16	-0.06
c) Others (specify)									
Sub-total (B)(2):	**1,57,10,635**	**Nil**	**1,57,10,635**	**28.22**	**1,57,10,635**	**Nil**	**1,57,10,635**	**26.93**	**-1.29**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,57,10,635**	**Nil**	**1,57,10,635**	**28.22**	**1,83,63,155**	**Nil**	**1,83,63,155**	**31.48**	**+3.26**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**55,671,991**	**Nil**	**55,671,991**	**100**	**5,83,24,511**	**Nil**	**5,83,24,511**	**100**	**Nil**

ii) Shareholding of Promoters

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Dodla Sunil Reddy	40,11,519	7.21	0	82,69,038	14.18	0	**+6.97**
2	Dodla Sesha Reddy	5,56,716	1.00	0	5,56,716	0.95	0	**-0.05**
3	*Dodla Subba Reddy	17	0.00	0	17	0.00	0	**0**
4	*Dodla Girija Reddy	17	0.00	0	17	0.00	0	**0**
5	*Dodla Deepa Reddy	8,45,517	1.52	0	74,33,958	12.57	0	**+11.05**
6	Dodla Family Trust	1,61,44,877	29.00	0	1,61,44,877	27.68	0	-1.32
7	D Sunil Reddy HUF	1,08,45,960	19.48	0	0	0	0	**-19.48**
8	Mylktree Consultants LLP	70,00,000	12.57	0	70,00,000	12.00	0	**-0.57**
9	*Bommi Surekha Reddy	5,56,733	1.00	0	5,56,733	0.95	0	**-0.05**
Total		**3,99,61,356**	**71.78**	0	**3,99,61,356**	**68.52**	**0**	**0**

*D. Subba Reddy, D. Girija Reddy, D. Deepa Reedy and B. Surekha Reddy are members of the promoter group within the meaning of regulation 2(1)(zb) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. *D. Subba Reddy, D. Girija Reddy, D. Deepa Reedy and B. Surekha Reddy are not the promoters of the Company. Their shareholding has been classified under the heading Promoters, as the Companies Act, 2013 does not contain the definition of the term “Promoter Group”

Pursuant to the Board resolution dated 13 July 2018, Dodla Sunil Reddy, Dodla Sesha Reddy and Dodla Family Trust have been identified as Promoters of the Company.

Change in promoter’s shareholding:

Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1. Dodla Sunil Reddy				
At the beginning of the year	40,11,519	7.21	-	-
Date wise Increase/Decrease in promoter’s shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	Received 42,57,519 shares on 29 January 2021 from Dodla Sunil Reddy HUF	6.97	82,69,038	14.18
At the end of the year	-	-	82,69,038	14.18

Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2. Dodla Deepa Reddy				
At the beginning of the year	8,45,517	1.52	-	-
Date wise Increase/Decrease in promoter's shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	Received 65,88,441 shares on 29 January 2021 from Dodla Sunil Reddy HUF	11.23	74,33,958	12.75
At the end of the year	-	-	74,33,958	12.75
3. D. Sunil Reddy HUF				
At the beginning of the year	10,845,960	19.48	-	-
Date wise Increase/Decrease in promoter's shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	Transfer of 10,845,960 shares on 29 January 2021 to Dodla Sunil Reddy (42,57,519) and Dodla Deepa Reddy (65,88,441)	19.48	(10,845,960)	(19.48)
At the end of the year	-	-	-	-

Except as stated above, there is no change in promoter's shareholding.

iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoter and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
TPG Dodla Dairy Holdings PTE. LTD.				
At the beginning of the year	1,50,31,434	27.00	-	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)				No Change
At the end of the year	-	-	1,50,31,434	25.77
Busireddy Venkat Krishna Reddy				
At the beginning of the year	6,79,201	1.22	-	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.)				No Change
At the end of the year	-	-	6,79,201	1.16

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
International Finance Corporation				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	The company has allotted 26,52,520 shares through preferential allotment at its board meeting held on 9 February 2021 to IFC			
At the end of the year	-	-	26,52,520	4.55

iv) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors				
Dodla Sesha Reddy				
At the beginning of the year	556,716	1.00	-	-
Date wise increase / decrease in Shareholding during the year	Nil			
At the end of the year	-	-	556,716	0.95
Dodla Sunil Reddy				
At the beginning of the year	40,11,519	7.21	-	-
Date wise increase / decrease in Shareholding during the year	Received 42,57,519 shares on 29 January 2021 from Dodla Sunil Reddy HUF			
At the end of the year	-	-	82,69,038	14.18
A. Madhusudhana Reddy				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year	Nil			
At the end of the year	-	-	-	-
#Kishore Mirchandani *				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year	Nil			
At the end of the year	-	-	-	-
Akshay Tanna				
At the beginning of the year	-	-	-	-

For Each of the Directors	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Date wise increase / decrease in Shareholding during the year	Nil			
At the end of the year	-	-	-	-
Ponnavolu Divya				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year	Nil			
At the end of the year	-	-	-	-
Rampraveen Swaminathan				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year	Nil			
At the end of the year	-	-	-	-
Tallam Puranam Raman				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year	Nil			
At the end of the year	-	-	-	-
Dr. Raja Rathinam*				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year	Nil			
At the end of the year	-	-	-	-

* Mr. Kishore Mirchandani resigned from the Directorship of the Company w.e. f : 21 January 2021

* Dr. Raja Rathinam was appointed as an Independent Director of the Company w. e. f: 1 February 2021

For Each of the KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Key Managerial Personnel				
Dodla Sunil Reddy - Managing Director				
At the beginning of the year	40,11,519	7.21	-	-
Date wise increase / decrease in Shareholding during the year	Received 42,57,519 shares on 29 January 2021 from D. Sunil Reddy HUF			
At the end of the year	-	-	82,69,038	14.18
Busireddy Venkat Krishna Reddy -Chief Executive Officer				

For Each of the KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	6,79,201	1.22	-	-
Date wise increase / decrease in Shareholding during the year				Nil
At the end of the year	-	-	6,79,201	1.16
Hemanth Kundavaram - Chief Financial Officer*				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year				Nil
At the end of the year	-	-	-	-
Anjaneyulu Ganji - Chief Financial Officer*				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year				Nil
At the end of the year	-	-	-	-
Ruchita Malpani – Company Secretary and Compliance officer				
At the beginning of the year	-	-	-	-
Date wise increase / decrease in Shareholding during the year				Nil
At the end of the year	-	-	-	-

* Hemanth Kundavaram resigned from the position of CFO w.e.f. 1 January 2021.

* Anjaneyulu Ganji appointed as CFO of the company w.e.f. 25 January 2021.

V. INDEBTEDNESS

1. Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	1,500,550,000	0	166,580,000	1,667,130,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4,140,000	0	0	4,140,000
Total of (i + ii + iii)	**1,504,690,000**	**0**	**166,580,000**	**1,671,270,000**
Change in Indebtedness during the financial year				
Addition	0	0	38,290,000	38,290,000
Reduction	(631,390,000)	0	0	(631,390,000)
Net Change	**(631,390,000)**	**0**	**38,290,000**	**(593,100,000)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	869,160,000	0	204,870,000	1,074,030,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2,540,000	0	0	2,540,000
Total of (i + ii + iii)	**871,700,000**	**0**	**204,870,000**	**1,076,570,000**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager: **(Amount in ₹)**

Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
	Managing Director	**Whole-time Director**	**Manager**	
	Dodla Sunil Reddy	**A Madhusudhana Reddy**		
Gross salary				
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,876,902	27,70,375		3,06,47,277
b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,577,578	119,755		56,97,333
c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0		0
Stock Option	0	0		0
Sweat Equity	0	0		0
Commission - as % of profit - others, specify	 0 0	 0 0	NA	 0 0
Others, Performance Incentive / Bonus	1,006,250	100,000		11,06,250
Total (A)	**3,44,60,730**	**29,90,130**		**3,74,50,860**
Ceiling as per the Act				

B. Remuneration to other directors:

1. Independent Directors

Particulars of Remuneration	Name of Directors					Total Amount
	Kishore Mirchandani *	Rampraveen Swaminathan	Ponnavolu Divya	Tallam Puranam Raman	Dr. Raja Rathinam*	
Fee for attending board / committee meetings	3,00,000	11,00,000	5,00,000	5,00,000	1,50,000	25,50,000
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (1)	3,00,000	11,00,000	5,00,000	5,00,000	1,50,000	25,50,000

* Mr. Kishore Mirchandani resigned from the Directorship of the Company w.e. f : 21 January 2021

* Dr. Raja Rathinam was appointed as an Independent Director of the Company w. e. f: 1 February 2021

2. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors		Total Amount
	Dodla Sesha Reddy	Akshay Tanna	
Fee for attending board / committee meetings	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Others (Consultancy Fee)	36,75,000	Nil	36,75,000
Total (2)	36,75,000	**Nil**	36,75,000
Total (B)=(1+2)			

3. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Particulars of Remuneration	Key Managerial Personnel				Total
	CEO	CS	CFO		
	Busireddy Venkat Krishna Reddy	Ruchita Malpani	Hemanth Kundavaram till 31 December 2020	Anjaneyulu Ganji appointed w.e.f. 25 January 2021.	
Gross salary					
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,844,580	1,140,720	5,855,052	11,63,398	2,90,03,750
b. Value of perquisites u/s 17(2) Income-tax Act, 1961	8,46,268	0	0	0	8,46,268
c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
Stock Option		0	0	0	
Sweat Equity	0	0	0	0	0

Particulars of Remuneration	Key Managerial Personnel				Total
	CEO	CS	CFO		
	Busireddy Venkat Krishna Reddy	Ruchita Malpani	Hemanth Kundavaram till 31 December 2020	Anjaneyulu Ganji appointed w.e.f. 25 January 2021.	
Commission - as % of profit - others,	 0 0	 0 0	 0 0	 0 0	 0 0
Others, Performance Incentive/ Bonus	10,316,246	38,851	4,02,605	0	1,07,57,702
Total Remuneration excluding Stock Option	**3,20,07,094**	**11,79,571**	**62,57,657**	**11,63,398**	**4,06,07,720**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeals made, if any (give Details)
A. **COMPANY**					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. **DIRECTORS**					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. **OTHER OFFICERS IN DEFAULT**					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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: 7 August 2021

ANNEXURE - V

ANNUAL REPORT ON 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:

<table>
<tr><th>Sl. No.</th><th>Name of Director</th><th>Designation</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr>
<tr><td>1</td><td>Dodla Sesha Reddy</td><td>Chairman / Director</td><td rowspan="3">During the year under review the CSR Committee meeting held on 14 July 2020</td><td>1</td></tr>
<tr><td>2</td><td>Akshay Tanna</td><td>Member / Director</td><td>1</td></tr>
<tr><td>3</td><td>Ponnavolu Divya</td><td>Member/ Independent Director</td><td>1</td></tr>
</table>

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: www.dodladairy.com/board_committees

www.dodladairy.com/csr_policy

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 Rs)	Amount required to be set- off for the financial year, if any (in Rs)
-	-	-	-
	TOTAL	-	-

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

Financial Year	Amount in ₹
2017-18	733,770,000
2018-19	789,976,207
2019-20	479,009,000
Total	2,002,755,207
Average	667,585,069

7. (a) Two percent of average net profit of the company as per section 135(5) : 13,351,701

(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) 13,351,701

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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.
12,150,000	1,990,332	30 April 2021	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 Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	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			1,20,76,968		Indirect, through trust	Dodla Foundation	Dodla Foundation is in the process of obtaining registration number.
	Total							**1,20,76,968**				

(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.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State.	District.			Name.	CSR Registration number.
1.	Community toilets	Eradicating hunger, poverty and malnutrition, ''promoting health care including preventinve health care''] and sanitation 4[including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Telangana	Jogulamba Gadwal	5,00,000	Indirect, through trust	Dodla Foundation is in the process of obtaining registration number.	Dodla Foundation is in the process of obtaining registration number.
	TOTAL					5,00,000			

(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) 12,576,968

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	13,351,701
(ii)	Total amount spent for the Financial Year	12,150,000
(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 transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	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 Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2020-21	1,990,332	12,150,000				1,990,332
	TOTAL	1,990,332	12,150,000				1,990,332

(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 Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1.	NA	Rural development projects	2019-20	19 Months	16,000,000	12,076,968	12,636,175	Ongoing
	TOTAL					12,076,968	12,636,175	

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

Sd/-
Dodla Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
Dodla Sesha Reddy
Director and Chairman, CSR Committee
DIN: 00520448

Place: Hyderabad
Date: 7 August 2021

ANNEXURE - VI

The 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:

LED lights installed in plant as a part of expansion work (Automation of plant) to reduce energy consumption in plant during financial year 2020-2021.

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

Nellore plant		
Investment in LED lighting	For the F.Y 2020-2021	₹ 417,691.00

The Capital investment on energy conservation equipment's is ₹ 1.75 crore (for solar generation) and IND 0.13 crore (LED Lighting) Total 1.88 crores

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption;

1. Installed LED lights throughout the plant to reduce energy consumption and also to increase LUX.
2. Upgradation of plant to Automation to improve quality/quantity management system.
3. Planned for commissioning of 250 TR evaporator condensers rather than going for cooling tower to save energy and maintenance for financial year 2021-2022.

(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 Austria 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	2020-21	2019-20
1	Capital	125,043	19,37,863
2	Recurring	73,156,550	78,774,468
	Total	**73,281,593**	**80,712,331**

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.

PARTICULARS	31 March 2021	31 March 2020
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

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: 7 August 2021

ANNEXURE - VII

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 2020-21* (amount in Rs.)	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	34,460,730	175.60
3.	Ambavaram Madhusudhana Reddy	Whole Time Director	2,990,130	15.20
4.	Akshay Tanna	Nominee Director	**NIL**	**NIL**
5.	Ponnavolu Divya	Independent Director	**NIL**	**NIL**
6.	Ram Praveen Swaminathan	Independent Director	**NIL**	**NIL**
7.	Raman Tallam Puranam	Independent Director	**NIL**	**NIL**
8.	Raja Rathinam	Independent Director	**NIL**	**NIL**
9.	Kishore Mirchandani	Independent Director	**NIL**	**NIL**

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

*** Mr. Kishore Mirchandani resigned from the Directorship of the Company w. e. f : 21 January 2021**

*** Dr. Raja Rathinam was appointed as an Independent Director of the Company w. e. f: 1 February 2021**

***Median remuneration of Employees: 1,96,246/-**

(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	**4.10%**
3.	Ambavaram Madhusudhana Reddy	Whole Time Director	**3.78%**
4.	Akshay Tanna	Nominee Director	**NIL**
5.	Ponnavolu Divya	Independent Director	**NIL**
6.	Ram Praveen Swaminathan	Independent Director	**NIL**
7.	Raman Tallam Puranam	Independent Director	**NIL**

S. No	Name of the Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager	Designation	Percentage increase in remuneration
8.	Kishore Mirchandani**	Independent Director	**NIL**
9.	Raja Rathinam#	Independent Director	**NIL**
10.	Busireddy Venkat Krishna Reddy @	Chief Executive Officer	**49.50%**
11.	Hemanth Kundavaram*	Chief Financial Officer	**NIL**
12.	Anjaneyulu Ganji $	Chief Financial Officer	**NIL**
13.	Ruchita Malpani	Company Secretary and Compliance Officer	**6.59%**

*** Hemanth Kundavaram resigned from the position of CFO w.e.f. 1 January 2021.**

**** Mr. Kishore Mirchandani resigned from the Directorship of the Company w.e. f : 21 January 2021 * $ Anjaneyulu Ganji appointed as CFO of the company w.e.f. 25 January 2021.**

 # Dr. Raja Rathinam was appointed as an Independent Director of the Company w. e. f: 1 February 2021

@ Includes performance incentive paid

(iii) The percentage increase in the median remuneration of employees in the financial year is 1.8%

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

There are 2458 permanent employees on the rolls of the Company as on 31-Mar-2021.

(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: 9.23%

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 Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 7 August 2021

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 employ-ment	qualifications and experience of the employee	date of commence-ment 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	34,568,657	Regular	Highest Qual: B.E, Experience: 23 years	1-Sep-2005	53 years	Own Business	14.18	Son of Dodla Sesha Reddy
2.	Venkat Krishna Reddy Busireddy - CEO	32,007,094	Regular	Highest Qual: B.Sc, Experience: 35 years	24-Dec-1997	58 years	Amul	1.16	N.A
3.	Madhusudhana Reddy Ambavaram - General Manager	2,963,326	Regular	Highest Qual: MBA, Experience: 28 years	1-Oct-2006	52 years	Imperial Granites Ltd.	N.A	N.A
4.	Chandra Sekhara Reddy V - General Manager	2,883,048	Regular	Highest Qual: PGDM, Experience: 14 years	5-May-2017	55 years	Bhubaneshwar Power Ltd	N.A	N.A
5.	Premraj Cholleti - Deputy General Manager	2,752,641	Regular	Highest Qual: MBA, Experience: 17 years	12-Apr-2019	52 years	Vodafone Idea Ltd	N.A	N.A
6.	Sebastian Joseph - General Manager	2,677,116	Regular	Highest Qual: M.Tech, Experience: 32 years	26-Jul-2010	57 years	National Dairy Development Board	N.A	N.A
7.	Rameshwer Reddy G S V - Deputy General Manager	2,654,453	Regular	Highest Qual: MBA, Experience: 23 years	14-May-2018	49 years	Tata Tele Services Ltd	N.A	N.A
8.	Bala Krishna Reddy Konda - General Manager	2,557,015	Regular	Highest Qual: IDD, Experience: 33 years	18-Oct-2014	57 years	Heritage Foods Ltd	N.A	N.A
9.	Ravi P - Manager	2,284,308	Regular	Highest Qual: Diploma in Civil engineering, Experience: 26 years	1-Mar-2015	49 years	Dodla Engineering	N.A	N.A
10.	Mallikarjun Peri - General Manager	2,105,600	Regular	Highest Qual: MBA, Experience: 17 years	10-Nov-2020	48 years	MK Agrotech Pvt. Ltd.	N.A	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: 7 August 2021

ANNEXURE - VIII

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

[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– 500 033
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 2021**, 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:

1. 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 2021** 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 Byelaws 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;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2020-21:-

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

      Complied with yearly and event based disclosures, wherever applicable.

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;

      The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., https://www.dodladairy.com/.

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

      - The Company has made an Initial Public Offering (IPO) by way of create, issue, offer and allot of equity shares amount being raised aggregates up to 5,500 million with an option to the Company to retain an over-subscription to the extent of 1% of the net Offer, vide Members resolution dated 3rd February, 2021 and Red Herring Prospectus dated 9th June, 2021;

      - Pursuant to the above, the Equity Shares of the Company were listed on BSE Limited and NSE Limited with effect from 28th June, 2021.

- The Company was an unlisted company as at 31st March, 2021 being the end date of the reporting financial year and hence various regulations specified under SEBI have complied to the extent applicable for the financial year ended on 31st March, 2021 though the Company was a listed Company as on this report date.

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

Not Applicable as the Company has not issued any Employee Stock Options during the year under review.

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019;

Not Applicable as the Company has not listed any debt securities during the year under review.

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;

Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has KFin Technologies Private Limited as its Share Transfer Agent.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018;

Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.

3. **General and other labour laws**: applicable to the company, as mentioned below:

1. Employees State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
2. Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
3. Payment of Bonus Act,1965 and the Payment of Bonus Rules, 1965;
4. Employment Exchanges (Compulsory Notification of Vacancies) Act,1959
5. Contract Labour (Regulation and Abolition) Act,1970 and the Contract Labour (Regulation and Abolition) Central Rules,1971;
6. Factories Act, 1948 and the rules made thereunder;
7. Andhra Pradesh Shops and Establishment Act, 1988 and various respective State laws;
8. Water (Prevention and Control of Pollution) Act, 1974
9. Air (Prevention and Control of Pollution) Act, 1981
10. Environment Protection Act, 1986
11. Public Liability Insurance Act,1991
12. Indian Boilers Act,1923
13. Explosives Act,1884
14. Legal Metrology Act, 2009
15. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

4. **Industry Specific Laws**: The Company is engaged in the business of processing of milk and preparation of milk products and its allied products. The management has identified and confirmed the compliances of the following laws being specifically applicable to the Company are as under:

1) Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production Supply and Distribution) Act, 1992
2) Livestock Importation Act, 1898
3) Agricultural Produce (Grading and Marketing) Act, 1937
4) Bureau of Indian Standards (BIS) Act, 1986
5) Export of Milk Products (Quality Control, Inspection and Monitoring) Rules 2000

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that Corporate Social Responsibility amount remaining unspent pursuant to ongoing projects, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, was transferred to Unspent CSR Account under section 135 (6).

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 the company not entered into / carried out any activity that has major bearing on the company's affairs.

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

Sd/-
Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: **F006476C000634136**

Place: Hyderabad
Date: 7 August 2021

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

Sd/-
Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: **F006476C000634136**

Place: Hyderabad
Date: 7 August 2021

ANNEXURE- IX

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulation').

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 2021, 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 2021.

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	*Kishore Mirchandani	Independent Director	Independent Director
6	Ponnavolu Divya	Independent Director	Independent Director
7	Rampraveen Swaminathan	Independent Director	Independent Director
8	Tallam Puranam Raman	Independent Director	Independent Director
9	**Dr.Raja Rathinam	Independent Director	Independent Director

** Kishore Mirchandani has resigned as independent director w.e.f 21 January 2021.*

*** Dr.Raja Rathinam has been appointed as independent director w.e.f 1 February 2021.*

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 2021 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	5	5	Yes
Dodla Sunil Reddy	5	5	Yes
A Madhusudhana Reddy	5	5	Yes
Akshay Tanna	5	5	No
Kishore Mirchandani (Upto 21 January 2021)	2	1	No
Ponnavolu Divya	5	4	No
Rampraveen Swaminathan	5	5	No
Tallam Puranam Raman	5	5	No
Dr. Raja Rathinam (w.e.f 1 February 2021)	3	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 2021 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	8	-	-
Ponnavolu Divya	3	-	-
Rampraveen Swaminathan	2	-	-
Tallam Puranam Raman	-	-	-
Dr. Raja Rathinam (w.e.f 1 February 2021)	-	-	-

***** 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.

Name of the Director	No. of Directorships in other Listed Companies	Name of the other Listed Companies in which Directors of the Company are Directors
Dodla Sesha Reddy	1	Nelcast Limited
Dodla Sunil Reddy	Nil	NA
A Madhusudhana Reddy	Nil	NA
Akshay Tanna	Nil	NA
Ponnavolu Divya	1	Nelcast Limited
Rampraveen Swaminathan	1	Mahindra Logistics Limited
Tallam Puranam Raman	Nil	NA
Dr. Raja Rathinam (w.e.f 1 February 2021)	Nil	NA

d) Number of Board Meetings

The dates on which the Board meetings were held are 15 July 2020, 30 October 2020, 02 February 2021, 04 February 2021, and 15 February 2021.

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 2021 are as follows:

Name of the Director	No. of Equity Shares (face value Rs. 10 each) held in the Company
Dodla Sesha Reddy	5,56,716

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/static/downloads/policies/familation-programme.pdf

h) Given below is the chart setting out the skills/expertise/competence of the Board of Directors:

Name of the Director	Category	Specialization
Dodla Sesha Reddy	Chairman	Has more than 22 years of experience in dairy industry.
Dodla Sunil Reddy	Managing Director	Has more than 25 years of experience in the dairy Industry.
A. Madhusudhana Reddy	Whole-time Director	Has 14 years of experience in the dairy industry.
Akshay Tanna	Nominee Director	Has 16 years of experience in Financial and Business Analysis, Project Management, Private Equity, Valuation, Corporate Finance, Investments, Mergers & Acquisitions.
Ponnavolu Divya	Independent Director	Has various years of experience in Governance, IT & Strategy
Rampraveen Swaminathan	Independent Director	He has over 10 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 (w.e.f 1 February 2021)	He has more than 40 years of experience in the dairy industry.

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 fulfil 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, the 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, Kishore Mirchandani, Independent Director has resigned from the Directorship of the Company with effect from 21 January 2021 owing to his personal reasons and he further confirmed that there no other reason other than the 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 statements are 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; and modified opinion 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization 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. Monitoring the end use of funds raised through public offers and related matters;

xxii. To review the management discussion and analysis of financial condition and results of operations;

xxiii. To review the statement of significant related party transactions (as defined by the audit

xxiv. committee), submitted by management;

xxv. To review the management letters / letters of internal control weaknesses issued by the statutory auditors;

xxvi. To review the internal audit reports relating to internal control weaknesses;

xxvii. To review the appointment, removal and terms of remuneration of the chief internal auditor.

xxviii. To review the statement of deviations of following:

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xxix. 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;

xxx. The Audit Committee shall have authority to investigate into any matter in relation to the items specified above 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; and

xxxi. The auditors of the 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.

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 14 July 2020, 30 October 2020, 01 February 2021 and 04 February 2021.

Attendance at the Audit Committee Meetings

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
Tallam Puranam Raman	4	4
Rampraveen Swaminathan	4	4
Dodla Sunil Reddy	4	4
Kishore Mirchandani (Upto 21 January 2021)	2	1
Dr. Raja Rathinam (w.e.f 1 February 2021)	2	1

4. Nomination, Remuneration and Compensation Committee

a) Brief description of terms of reference

i. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

ii. Carry on the evaluation of every director’s performance;

iii. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;

iv. Recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

v. Formulation of criteria for evaluation of performance of Board, its Committees and Individual Directors;

vi. Evaluation of Independent Directors and Board.

vii. Devising a policy on Board diversity; and

viii. Undertaking other matter as the Board may refer from time to time.

b) composition, name of members and chairperson;

The Nomination, Remuneration and Compensation Committee comprised of 2 Independent Directors and 2 Non-Executive Directors with Rampraveen Swaminathan, Independent Director as its Chairperson.

Composition of the Nomination, Remuneration and Compensation Committee

Name of the Director	Position on the Committee
Rampraveen Swaminathan	Chairman
Raman Tallam Puranam	Member
Dodla Sesha Reddy	Member
Akshay Tanna	Member

c) meeting and attendance during the year;

During the period Nomination, Remuneration and Compensation Committee Meeting was held on 15 July 2020, 29 October 2020 and 01 February 2021.

Attendance at the Nomination, Remuneration and Compensation Committee Meetings

Name of the Director	Number of Nomination, Remuneration and Compensation Committee Meetings	
	Held	Attended
Rampraveen Swaminathan	3	3
Raman Tallam Puranam	1	1
Dodla Sesha Reddy	3	3
Akshay Tanna	3	3
Kishore Mirchandani (Up to 21 January 2021)	2	1

d) The Criteria for Evaluation of Independent Directors is given below:

i. Qualifications: Professional qualifications;

ii. Experience: Experience relevant to the entity;

iii. Knowledge and Competency:

a) How the person fares for effective functioning of the entity and the Board;

b) and

c) Whether the person has sufficient understanding and knowledge of the entity and fulfilment of the independence criteria as specified in these regulations and their independence from the management;

iv. Fulfilment of functions: Whether the person understands and fulfils the functions assigned to him/her as by the Board and the law;

v. Ability to function as a team: Whether the person is able to function as an effective team-member;

vi. Initiative: Whether the person actively takes initiative with respect to various areas;

vii. Availability and attendance: Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay;

viii. Commitment: Whether the person is adequately committed to the Board and the entity;

ix. Contribution: Whether the person contributed effectively to the entity and in the Board meetings;

x. Integrity: Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.);

xi. Independence: Whether person is independent from the entity and the Management and there is no conflict of interest; and

xii. Independent views and judgment: Whether the person exercises his/ her own judgment and voices opinion freely.

e) Terms of Appointment of Independent Directors:

As per Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act, the terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website https://www.dodladairy.com/static/downloads/draft-letter-of-appointment.pdf

f) Performance evaluation of Directors:

Pursuant to applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its

Nomination, Remuneration and Compensation Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non- Executive Directors and Chairperson of the Board.

Performance Evaluation of Independent Directors, Board of Directors, Committees of Board, Individual Directors, Managing Director, Non- Executive Directors and Chairperson of the Board.

Evaluation of all Board members is performed on an annual basis. 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.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017.

g) Meeting of Independent Directors

A separate meeting of the Independent Directors was held on 20 March, 2021, 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.

h) Succession planning

The Nomination, Remuneration and Compensation Committee works with the Board on succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within Board of Directors and the organization to introduce new perspectives while maintaining experience and continuity.

5. Remuneration of Directors:

There were no pecuniary relationship or transactions with any Non-Executive Director of the Company.

The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., www.dodladairy.com

Non-Executive Directors / Independent directors are paid Consultancy fees, Sitting Fees:

Name of the Director	Sitting Fees	Consultancy Fees
Dodla Sesha Reddy	Nil	36,75,000
Akshay Tanna	Nil	Nil
Kishore Mirchandani (Upto 21 January 2021)	3,00,000	Nil
Ponnavolu Divya	5,00,000	Nil
Rampraveen Swaminathan	11,00,000	Nil
Tallam Puranam Raman	5,00,000	Nil
Dr. Raja Rathinam (w.e.f 1 February 2021)	1,50,000	Nil

The Remuneration paid to the Managing Director and Whole Time Director during the year is provided in the Annual return of the company

There were no severance fees and stock option plan. The appointment of the Managing Director and Whole Time Director is for a period of five years on the basis of terms and conditions laid down in the respective resolutions passed by the Members in the General Meetings.

6. Stakeholders' grievance committee:

a) Composition

The Committee consists of the following Directors:

Name of the Director	Position on the Committee	Designation
Raman Tallam Puranam	Chairman	Independent Director
Dodla Sunil Reddy	Member	Executive Director
Akshay Tanna	Member	Non - Executive Director

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: Ruchita Malpani, Company Secretary

d) number of shareholders' complaints received so far; NIL

e) number not solved to the satisfaction of shareholders; NIL

f) number of pending complaints: NIL

g) Email-id for Investor Grievances: cs@dodladairy.com

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
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.
2017-18	17 July 2018	10:30 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
2019-20	30 September 2020	10:00 A.M	1. To re-appoint Kishore Mirchandani as an Independent director. 2. To Re-Appoint P Divya as an Independent Director. 3. To approve re-appointment and payment of Consultation fees to Dodla Sesha Reddy.
2018-19	30 September 2019	10:00 A.M	1. To Consider and approve the change in remuneration of the Managing Director. 2. To Consider and approve the change in remuneration of the Whole-time Director. 3. To Consider and approve the alteration of the articles of association of the company.
2017-18	17 July 2018	10:30 A.M	1. To Approve Initial Public Offer. 2. To Adopt New Set of Articles of Association of the Company. 3. To Increase the Investment limits for foreign portfolio investor upto 49% of the paid-up capital of the Company. 4. To Increase the Investment limit by Non-Resident Indivudual upto 24% of the paid-up capital of the company. 5. To create charge and security on the assets of the company u/s 180(1)(a) of the Companies Act, 2013. 6. To Increase Borrowing limits of the Company u/s 180(1)(c) of the Companies Act, 2013.

c) The Company during the financial year ended 31 March 2021 did not conduct any postal ballot and hence passing of special resolution through postal ballot does not arise.

d) The Company during the financial year conducted an Extra-ordinary General Meeting on 3 February 2021 and 9 February 2021.

8. Means of Communication

The Company recognizes the importance of two-way communication with shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of the Company's corporate governance ethos.

The Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communications such as dissemination of information on the website of the Company and Stock Exchanges, Press Releases, Annual Reports and uploading relevant information on its website: www.dodladairy.com

9. General Shareholder information

a) Annual General Meeting: 26th Annual General Meeting

- Date: 23 September 2021
- 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 2020 to 31 March 2021.

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
BSE Limited Phiroze JeeJeebhoy Towers, Dalal street, Mumbai - 400 001, Maharashtra, India.	**543306**
National Stock Exchange of India Limited Exchange Plaza, Floor 5, Plot # C/1, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra, India.	**DODLA**

The listing fees for the year 2021-22 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, the Market price data for the period between April 2020 to March 2021 is not available.

g) **Performance in comparison to broad based indices of BSE Sensex**: As the Company shares been listed on BSE Limited and National Stock Exchange of India Limited on 28 June 2021, Price comparison for the period April 2020 to March 2021 BSE Sensex and Nifty is not available.

h) There was no suspension of trading in the Securities of the Company from the date of listing.

i) **Registrars to the Issue & Share Transfer Agents:**

KFin Technologies Private Limited

Selenium Tower B, Plot Nos. 31 & 32, Financial District

Nanakramguda, Serilingampally Mandal, Hyderabad – 500032

Telangana, India

Phone: +91 40 6716 1606

Email id: einward.ris@kfintech.com

Website: https://www.kfintech.com and / or https://ris.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 2021.

S No	Category	No of Shares held	%ge of Shareholding
1	Promoters/Directors/ Associates	3,99,61,356	68.52
2	Mutual Funds	-	-
3	Financial / Non-Financial Institutions and Banks	26,52,520	4.55
4	Foreign Portfolio Investors / Foreign Body Corporates	1,50,31,434	25.77
5	Bodies Corporate	-	-
6	Trusts	-	-
7	NBFC Registered with RBI	-	-
8	NRIs	-	-
9	Clearing Members	-	-
10	Investor Education Protection Fund (IEPF) A/c	-	-
11	Unclaimed Suspense Account	-	-
12	Indian Public	679201	1.16
	Total	5,83,24,511	100

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).

5,83,24,511 equity shares were dematerialised representing 100% of the total paid up equity share capital of the Company as on 31 March 2021.

m) There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on 31 March 2021.

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
Kurnool	Andhra Pradesh
Palamaner	Andhra Pradesh
Penumur	Andhra Pradesh
Nellore	Andhra Pradesh
Nellore (SMP)	Andhra Pradesh
Rajahmundry	Andhra Pradesh
Sattenapalle	Andhra Pradesh
Indragi	Karnataka
Tumkur	Karnataka
Batlagundu	Tamil Nadu
Dharmapuri	Tamil Nadu
Vedasandur	Tamil Nadu
Vedasandur (SMP)	Tamil Nadu
Hyderabad	Telangana
Uganda	Uganda

p) Address for correspondence:

Dodla Dairy Limited.
8-2-293/82/A, 270/Q, Road No 10-C,
Jubilee Hills, Hyderabad-500033,
Telangana, India.
Phone: 040-4546 7777
Email: cs@dodladairy.com (for investor grievance)
Fax: 040-4546 7788
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 2021:

Bank limits rated long term scale : [ICRA]A+ (Positive)

Bank limits rated short term scale: [ICRA]A1+

Instruments related : ICRA]A+ (Positive) reaffirmed

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.

The Company has not entered into any transaction with any person or entity belonging to the Promoter/ Promoter Group which hold(s) 10% or more shareholding in the Company.

Related Party Transaction policy is placed on the Company's website at:

www.dodladairy.com

Material Related Party Transactions:

During the year ended 31 March 2021, 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 Note 41 to the Annual Accounts.

b) Details of non-compliance etc:

A Statement on Compliance with all Laws and Regulations certified by the Managing Director and Company Secretary are placed at the meetings of the Board of Directors for their review.

There were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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 victimization 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/static/downloads/Vigil-Mechanism.pdf.

The Vigilance and Ethics Officer had not received any complaint during the Financial Year ended 31 March 2021.

d) The policy for determining 'material' subsidiaries is available on the website of the Company https://www.dodladairy.com/static/downloads/subsidiary-policy.pdf

e) The policy on dealing with related party transactions is available on the website of the Company: https://www.dodladairy.com/static/downloads/dodla-draft-related-party-policy.pdf

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 utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The company has raised funds through preferential allotment for repayment of debts of the company.

h) 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.

i) 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.

j) Given below are the details of fees paid to B S R & Associates LLP, Chartered Accountant, Statutory Auditors of the Company on a consolidated basis during the Financial Year ended 31 March 2021. The amount pertains to fees incurred for the FY 2019-20 and paid during the Financial Year ended 31 March 2021.

Sl No.	Payments to the Statutory Auditors (excluding taxes)*	Fees paid in Rs. (In Million)
1	Statutory Audit fees paid for Audit of the Company	4.30
2	Fees paid for other services	0.17
3	Reimbursement of expenses	0.22
	Total	4.69

* Excludes fees paid for IPO related services during the FY 2020-21.

k) 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:

Regulation No	Particulars of Regulations	Compliance status (Yes/No)
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

In accordance with the requirement of Clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company doesn't have Demat suspense account/ unclaimed suspense account.

17. Proceeds from public issues, rights issues, preferential issues, etc.

During the year under review issued 26,52,520 equity shares on preferential issue basis to International Finance Corporation.

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: 7 August 2021

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 2021.

For Dodla Dairy Limited

Sd/-
Dodla Sunil Reddy
Managing Director
DIN: 00794889

Place: Hyderabad
Date: 7 August 2021

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 2021 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.

For Dodla Dairy Limited

Sd/-
B. Venkat Krishna Reddy
Chief Executive Officer

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad
Date: 7 August 2021

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, India

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) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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.	Divya Ponnavolu	05158352	30/03/2015
4.	Akshay Tanna	02967021	21/07/2017
5.	Ambavaram Madhusudhana Reddy	08126380	03/05/2018
6.	Tallam Puranam Raman	00320782	13/07/2018
7.	Rampraveen Swaminathan	01300682	13/07/2018
8.	Raja Rathinam	09045647	01/02/2021

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

Sd/-
Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: **F006476C000752430**

Place: Hyderabad
Date: 7 August 2021

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
DODLA DAIRY LIMITED
8-2-293/82/A/270-Q,
Road No 10-C, Jubilee Hills,
Hyderabad-500033,
Telangana, India

The Corporate Governance Report prepared by **Dodla Dairy Limited** (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31 March 2021 as required by the Company for annual submission to the Stock exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31 March 2021.

We further state that such compliance 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

Sd/-
Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: **F006476C000752430**

Place: Hyderabad
Date: 7 August 2021

Note:

1. The Company has made an Initial Public Offering (IPO) by way of create, issue, offer and allot of equity shares amount being raised aggregates up to 5,500 million with an option to the Company to retain an over-subscription to the extent of 1% of the net Offer, vide Members resolution dated 3 February 2021 and Red Herring Prospectus dated 9 June 2021;
2. Pursuant to the above, the Equity Shares of the Company were listed on BSE Limited and NSE Limited with effect from 28 June 2021. The Company was an unlisted company as at 31 March 2021 being the end date of the reporting financial year and hence various regulations specified under SEBI are not applicable for the financial year ended on 31 March 2021 though the Company was a listed Company as on this report date.

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 2021, 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 the 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 2021, and 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Information

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

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.

When we read the other information included in the director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

Management's and Board of Directors' Responsibility 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 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 in the standalone financial statements 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 46 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Sd/-
Hemant Maheshwari
Partner
Membership No.: 096537
ICAI UDIN: 21096537AAAAER1478

Place: Hyderabad
Date: 14 July 2021

Annexure A to the Independent Auditor’s Report on the standalone financial statements of Dodla Dairy Limited for the year ended 31 March 2021

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 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the 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 the immovable properties as disclosed in Note 4 on fixed assets to the standalone financial statements, are held in the name of the Company.

(ii) The inventories, except goods-in-transit, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and according to the information and explanation given to us by the Management, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, paragraph 3(iii) of the said Order is not applicable to the Company.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investment made or loan provided to the parties covered under Section 186 of the Act. 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 from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73, 74, 75 and 76 and any relevant provisions of the Act of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the said Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees’ state insurance, Incometax, Goods and Services tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees’ state insurance, Income-tax, Goods and Service taxes, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any undisputed statutory dues on account of Sales tax, Service tax, Duty of excise and Value added tax. Also refer note 33 to the standalone financial statements relating to provident fund contribution.

(b) According to the information and explanations given to us, there are no dues of Service tax, Duty of Excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, Company disputes the following dues of Income- tax, Sales tax, Goods and Services Tax and Duty of Customs:

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)
Income-tax Act, 1961	Tax and interest thereon	2.87 (2.87)	Assessment Year 2010-11	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Tax and interest thereon	6.42 (6.42)	Assessment Year 2011-12	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Tax and interest thereon	32.38 (32.38)	Assessment Year 2012-13	
Income-tax Act, 1961	Tax and interest thereon	25.36 (25.36)	Assessment Year 2013-14	
Income-tax Act, 1961	Tax and interest thereon	9.25 (9.25)	Assessment Year 2014-15	
Income-tax Act, 1961	Tax and interest thereon	11.14	Assessment Year 2016-17	
Income-tax Act, 1961	Tax and interest thereon	26.33	Assessment Year 2017-18	Assessing Officer
Customs Act, 1962	Custom duty and penalty thereon	3.79 (0.10)	Financial year 2015-16	High Court of Karnataka
CST Act, 1956	Sales tax and penalty thereon	77.51	Financial year 2016-17	Commercial Taxes Department, Nellore
Goods and Services Tax Act, 2017	Goods and Services Tax	10.19	July 2017 to March 2019	Commercial Taxes Department, Nellore

* Amount in parenthesis represents amount paid under protest

(viii) In our opinion and according to the information and explanations given to us by, the Company has not defaulted in repayment of loans or borrowings to any bank or dues to debenture holders. The Company does not have any loans or borrowings from any financial institution or government during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the said order are not applicable to the Company.

(x) During the course of our examination of books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi Company prescribed under Section 406 of the Act. Accordingly, the provisions of Clause 3(xii) of the said order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year. The Company has complied with the requirements of Section 42 of the Act and the amount raised through the private placement have been used for the purposes for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or persons connected with him as referred to in Section 192 of the Act. Accordingly, paragraph 3(xv) of the said Order is not applicable to the Company.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the said Order is not applicable to the Company.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Sd/-
Hemant Maheshwari
Partner
Membership No.: 096537
ICAI UDIN: 21096537AAAAER1478

Place: Hyderabad
Date: 14 July 2021

Annexure B to the Independent Auditors' Report on the standalone financial statements of Dodla Dairy Limited for the year ended 31 March 2021

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 (hereinafter referred to as "the Act")

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

Opinion

We have audited the internal financial controls with reference to financial statements of Dodla Dairy Limited ("the Company") as of 31 March 2021 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors 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 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 Registration No.: 116231W/ W-100024

Sd/-
Hemant Maheshwari
Partner
Membership No.: 096537
ICAI UDIN: 21096537AAAAER1478

Place: Hyderabad
Date: 14 July 2021

Standalone Balance sheet

(All amount are in rupees millions, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,497.53	4,363.90
Capital work-in-progress	4	82.57	84.97
Goodwill	5	359.37	359.37
Other intangible assets	5	63.61	95.51
Biological assets other than bearer plants			
(i) Matured biological assets	6	18.65	19.91
(ii) Immatured biological assets	6	8.32	5.53
Financial assets			
(i) Investments	7	437.84	437.84
(ii) Loans	8	261.81	278.34
(iii) Other financial assets	15	0.43	-
Other tax assets	27	18.92	18.92
Other non-current assets	9	11.66	11.40
Total non-current assets		**5,760.71**	**5,675.69**
Current assets			
Inventories	10	853.45	1,110.20
Financial assets			
(i) Investments	11	604.28	115.22
(ii) Trade receivables	12	48.77	36.70
(iii) Cash and cash equivalents	13 (a)	881.95	267.32
(iv) Bank balances other than above	13 (b)	717.47	0.34
(v) Loans	14	56.66	47.87
(vi) Other financial assets	15	4.53	2.73
Other current assets	16	101.88	72.90
Total current assets		**3,268.99**	**1,653.28**
Total assets		**9,029.70**	**7,328.97**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	583.25	556.72
Other equity	18	5,459.27	3,413.07
Total equity		**6,042.52**	**3,969.79**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	529.67	867.25
(ii) Lease liabilities	48	98.18	68.84
Deferred tax liabilities (net)	20	380.35	310.70
Government grants	21	25.55	28.38
Provisions	22	87.13	94.79
Total non-current liabilities		**1,120.88**	**1,369.96**
Current liabilities			
Financial liabilities			
(i) Borrowings	23	-	400.00
(ii) Lease liabilities	48	16.81	25.71
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	24	13.49	7.76
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	800.56	674.56
(iv) Other financial liabilities	25	704.79	606.08
Government grants	21	2.91	2.96
Provisions	26	111.80	27.96
Current tax liabilities (net)	27	156.34	194.61
Other current liabilities	28	59.60	49.58
Total current liabilities		**1,866.30**	**1,989.22**
Total liabilities		**2,987.18**	**3,359.18**
Total equity and liabilities		**9,029.70**	**7,328.97**

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

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
Hemant Maheshwari
Partner
Membership number: 096537

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 14 July 2021

Place: Hyderabad
Date: 14 July 2021

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

Standalone Statement of Profit and Loss

(All amount are in rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	29	18,369.04	19,876.16
Other income	30	77.88	123.61
Total income		**18,446.92**	**19,999.77**
Expenses			
Cost of materials consumed	31	13,123.93	15,028.69
Changes in inventories of finished goods and work-in-progress	32	(148.31)	574.29
Employee benefits expense	33	816.53	843.69
Finance costs	34	118.53	161.03
Depreciation and amortisation expense	35	473.50	463.35
Other expenses	36	2,407.96	2,450.03
Total expenses		**16,792.14**	**19,521.08**
Profit before tax		**1,654.78**	**478.69**
Income tax expense			
- Current tax	37	503.02	119.47
- Deferred tax	37	67.82	74.51
Total tax expense		**570.84**	**193.98**
Profit for the year (A)		**1,083.94**	**284.71**
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurement of the net defined benefit obligation		5.23	(3.66)
Income tax relating to these items	37	(1.83)	1.28
Other comprehensive income for the year (B)		**3.40**	**(2.38)**
Total comprehensive income for the year (A+B)		**1,087.34**	**282.33**
Earnings per share (nominal value of equity shares of ₹ 10 each, fully paid-up)	40		
Basic [in ₹]		19.34	5.11
Diluted [in ₹]		19.22	5.11
Weighted average number of equity shares used in computing earnings per share:			
- Basic		56,042,617	55,671,991
- Diluted		56,403,193	55,671,991

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

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
Hemant Maheshwari
Partner
Membership number: 096537

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 14 July 2021

Place: Hyderabad
Date: 14 July 2021

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

Standalone Statement of changes in Equity

(All amount are in rupees millions, unless otherwise stated)

Particulars	Equity share capital	Other equity					Total equity attributable to owners of the Company
		Reserves and surplus					
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Share options outstanding account	Retained earnings	
Balance as at 01 April 2019	**556.72**	**12.00**	**568.28**	**3.30**	**18.94**	**2,810.10**	**3,969.34**
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	284.71	284.71
Employee share based payment expense	-	-	-	-	7.62	-	7.62
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	(2.38)	(2.38)
Dividend	-	-	-	-	-	(249.33)	(249.33)
Dividend distribution tax	-	-	-	-	-	(40.17)	(40.17)
Transfer to Debenture redemption reserve	-	-	-	12.86	-	(12.86)	-
Balance as at 31 March 2020	**556.72**	**12.00**	**568.28**	**16.16**	**26.56**	**2,790.07**	**3,969.79**
Balance as at 01 April 2020	**556.72**	**12.00**	**568.28**	**16.16**	**26.56**	**2,790.07**	**3,969.79**
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)	-
Balance as at 31 March 2021	**583.25**	**12.00**	**1,523.72**	**50.77**	**29.98**	**3,842.80**	**6,042.52**

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/-
Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: 14 July 2021

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

Place: Hyderabad
Date: 14 July 2021

Standalone Statement of Cash Flows

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities		
Profit before tax	1,654.78	478.69
Adjustments for:		
Depreciation and amortisation expense	473.50	463.35
Changes in fair valuation of biological assets	(9.22)	(2.09)
Loss on sale/ retirement of property, plant and equipment, net	-	3.19
Loss on sale/ discard of biological assets, net	4.31	1.44
Interest income	(44.62)	(15.68)
Finance costs	118.53	161.03
Dividend income from non-current investment	-	(53.96)
Employee share based payment expense	3.42	7.62
Profit on sale of current investments in mutual funds, net	(0.57)	(23.68)
Fair value gain on financial assets measured at fair value through profit and loss, net	(3.43)	(9.79)
Government grant income	(2.88)	(2.96)
	2,193.82	**1,007.16**
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(12.09)	0.47
Decrease in inventories	256.75	64.26
Increase in loans and other financial assets	(7.81)	(206.12)
(Increase)/decrease in other current and non-current assets	(28.13)	71.09
Increase in trade payables and other financial liabilities	174.96	90.85
Increase in employee benefits obligation	81.40	26.53
Increase/ (decrease) in other current and non-current liabilities	10.02	(0.04)
Cash generated from operations	**2,668.92**	**1,054.20**
Income taxes paid, net	(501.12)	(19.56)
Net cash generated from operating activities	**2,167.80**	**1,034.64**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(526.69)	(679.20)
Proceeds from sale of property, plant and equipment	9.69	10.53
Proceeds from sale of biological assets	3.38	2.21
Inter-corporate deposit given	(10.00)	-
Inter-corporate deposit repaid	21.00	-
Purchase of shares in subsidiary	-	(30.00)
Dividend income from non-current investment	-	53.96
Purchase of mutual funds	(550.00)	(740.00)
Proceeds from sale of mutual funds	64.91	918.23
Interest received	44.95	15.35
Investment in bank deposits (having original maturity of more than 3 months)	(1,071.40)	(0.02)
Redemption of bank deposits (having original maturity of more than 3 months)	353.60	0.50
Net cash used in investing activities	**(1,660.56)**	**(448.44)**

Standalone Statement of Cash Flows (continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from financing activities		
Repayment of long term borrowings to banks	(231.39)	(163.69)
(Payment)/ receipt of short term borrowings, net	(400.00)	250.00
Issue of Shares	1,000.00	-
Share issue expenses	(18.03)	-
Lease liability payment	(24.55)	(18.65)
Payment of dividend including dividend distribution tax	(107.49)	(182.01)
Finance costs paid	(111.15)	(141.10)
Net cash generated from/(used in) financing activities	**107.39**	**(255.45)**
Net increase in cash and cash equivalents	**614.63**	**330.75**
Cash and cash equivalents at the beginning of the year	267.32	(63.43)
Cash and cash equivalents at end of the year	**881.95**	**267.32**

Note:

i. Cash and cash equivalents as per above comprise of the following:

	As at 31 March 2021	As at 31 March 2020
Cash on hand	16.66	20.10
Balances with banks		
- in current accounts	163.88	197.22
- in deposit accounts (with original maturity of less than three months)	701.41	50.00
Balances as per statement of cash flows	**881.95**	**267.32**

ii. Movement in financial liabilities

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance of borrowings		
Non-current borrowings (including current maturities)	1,100.55	1,264.24
Current borrowings	400.00	150.00
Lease liabilities	94.55	-
Interest accrued but not due on borrowings	3.69	4.52
Movement		
Cash flows	(630.94)	86.31
Payment of lease liabilities	(24.55)	(18.65)
Interest expense	117.00	130.28
Interest paid	(111.15)	(124.67)
Other non-cash movements		
- Addition to lease liabilities	36.00	105.16
- Borrowing cost amortisation	1.54	1.60
Closing balance of borrowings		
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

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/-
Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: 14 July 2021

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 14 July 2021

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

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

a) Standalone 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 basis and going concern 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 standalone financial statements were authorised for issue by the Company's Board of Directors on 14 July 2021.

c) 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 (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 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 48- 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 6 - determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 22 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3(a) - useful life of property, plant and equipment
- Note 3(d) - impairment of intangible assets
- Note 44 - impairment of financial assets
- Note 48 - 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 6 - Biological assets other than bearer plants
- Note 44 - Financial instruments
- Note 17(e) - 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

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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.

(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.

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;
- 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.

(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 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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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.

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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

(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.

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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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

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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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.

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.

(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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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.

(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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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 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 and contingent liabilities

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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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. 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 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

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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 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) 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.

(r) 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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

(s) Recent accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to the Standalone Financial Statements (Continued)

(₹ in millions except for share data or 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 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
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	1,249.45
Plant and equipments	2,431.55	352.56	4.11	2,780.00	480.47	201.65	1.84	680.28	2,099.72
Electrical installations	114.21	5.74	0.21	119.74	37.99	12.21	0.11	50.09	69.65
Electronic data processors	43.89	5.97	2.18	47.68	29.29	10.22	2.17	37.34	10.34
Office equipments	34.64	6.51	1.33	39.82	17.05	6.47	1.31	22.21	17.61
Furniture and fixtures	114.47	9.38	0.52	123.33	26.05	13.51	0.33	39.23	84.10
Laboratory equipments	537.68	82.73	7.96	612.45	373.23	109.85	7.88	475.20	137.25
Leasehold improvements	16.99	13.13	0.24	29.88	0.56	1.81	0.02	2.35	27.53
Right-of-use assets (refer note (iv) below)	105.17	39.60	3.95	140.82	16.52	19.78	0.72	35.58	105.24
Vehicles	54.07	2.18	5.88	50.37	16.17	7.39	2.68	20.88	29.49
Total	**5,484.57**	**581.07**	**27.92**	**6,037.72**	**1,120.67**	**437.53**	**18.01**	**1,540.19**	**4,497.53**

Description	As at 01 April 2020	Additions	Capitalisations	As at 31 March 2021
Capital work-in-progress	84.97	543.14	545.54	82.57

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2019	Additions	Disposals	As at 31 March 2020	As at 01 April 2019	Depreciation for the year	Disposals	As at 31 March 2020	As at 31 March 2020
Freehold land	639.56	27.63	-	667.19	-	-	-	-	667.19
Buildings	1,193.47	171.41	0.17	1,364.71	74.73	48.78	0.17	123.34	1,241.37
Plant and equipments	2,191.45	255.22	15.12	2,431.55	308.86	181.78	10.17	480.47	1,951.08
Electrical installations	111.16	5.32	2.27	114.21	27.76	12.16	1.93	37.99	76.22
Electronic data processors	41.26	5.14	2.51	43.89	20.14	11.56	2.41	29.29	14.60
Office equipments	28.39	7.02	0.77	34.64	11.47	6.29	0.71	17.05	17.59
Furniture and fixtures	98.37	16.55	0.45	114.47	14.00	12.37	0.32	26.05	88.42
Laboratory equipments	478.54	70.45	11.31	537.68	256.39	127.94	11.10	373.23	164.45
Leasehold improvements	-	16.99	-	16.99	-	0.56	-	0.56	16.43
Right-of-use assets (refer note (iv) below)	-	105.17	-	105.17	-	16.52	-	16.52	88.65
Vehicles	61.03	2.61	9.57	54.07	9.43	9.29	2.55	16.17	37.90
Total	**4,843.23**	**683.51**	**42.17**	**5,484.57**	**722.78**	**427.25**	**29.36**	**1,120.67**	**4,363.90**

Notes to the Standalone Financial Statements (Continued)

(₹ in millions except for share data or otherwise stated)

Description	As at 01 April 2019	Additions	Capitalisations	As at 31 March 2020
Capital work-in-progress	109.84	553.47	578.34	84.97

(i) Capital work-in-progress

Capital work-in-progress mainly comprises new plant and machinery, buildings, chilling centres and other assets under erection for the plant.

(ii) Contractual obligations

Refer note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Carrying amount of property, plant and equipment (included in above) pledged as securities for borrowings as at 31 March 2021 is ₹ 2,882.37 (31 March 2020: ₹ 3,027.56).

(iv) Right-of-use assets

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
Total	**105.17**	**39.60**	**3.95**	**140.82**	**16.52**	**19.78**	**0.72**	**35.58**	**105.24**

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2019	Additions	Disposals	As at 31 March 2020	As at 01 April 2019	Depreciation for the period	Disposals	As at 31 March 2020	As at 31 March 2020
Land	-	5.72	-	5.72	-	0.64	-	0.64	5.08
Buildings	-	79.70	-	79.70	-	12.09	-	12.09	67.61
Plant and equipments	-	19.75	-	19.75	-	3.79	-	3.79	15.96
Total	**-**	**105.17**	**-**	**105.17**	**-**	**16.52**	**-**	**16.52**	**88.65**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 5: Goodwill and other intangible assets

Description	Goodwill	Other intangible assets			
		Computer softwares	Brands	Non-compete arrangements	Total
Gross carrying amount					
As at 01 April 2020	359.37	76.43	58.80	22.20	157.43
Additions	-	4.07	-	-	4.07
Disposals	-	-	-	-	-
As at 31 March 2021	**359.37**	**80.50**	**58.80**	**22.20**	**161.50**
Accumulated amortisation					
As at 01 April 2020	-	44.54	12.62	4.76	61.92
Amortisation expense	-	19.78	11.75	4.44	35.97
Disposals	-	-	-	-	-
As at 31 March 2021	**-**	**64.32**	**24.37**	**9.20**	**97.89**
Carrying amount (net) as at 31 March 2021	**359.37**	**16.18**	**34.43**	**13.00**	**63.61**
Gross carrying amount					
As at 01 April 2019	359.37	74.27	58.80	22.20	155.27
Additions	-	2.78	-	-	2.78
Disposals	-	(0.62)	-	-	(0.62)
As at 31 March 2020	**359.37**	**76.43**	**58.80**	**22.20**	**157.43**
Accumulated amortisation					
As at 01 April 2019	-	24.95	0.84	0.32	26.11
Amortisation expense	-	19.88	11.78	4.44	36.10
Disposals	-	(0.29)	-	-	(0.29)
As at 31 March 2020	**-**	**44.54**	**12.62**	**4.76**	**61.92**
Carrying amount (net) as at 31 March 2020	**359.37**	**31.89**	**46.18**	**17.44**	**95.51**

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 2021 is ₹ 359.37 (31 March 2020: ₹ 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 2021	As at 31 March 2020
Annual revenue growth rate for 5 years (Average)	14.14%	8.51%
Terminal value growth rate	3.00%	5.00%
Budgeted EBITDA growth rate (Average)	12.00%	11.00%
Weighted average cost of capital % (WACC) post tax	13.54%	13.00%

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 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 2020-21.

Note 6: Biological assets other than bearer plants

	As at 31 March 2021	As at 31 March 2020
Matured biological assets	18.65	19.91
Immatured biological assets	8.32	5.53
	26.97	**25.44**

Reconciliation of carrying amount:

	As at 31 March 2021		As at 31 March 2020	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
Balance at the beginning of the year	**19.91**	**5.53**	**20.60**	**6.40**
Change in fair value (refer note 30)	2.68	6.53	(7.05)	9.14
Cattles matured during the year	3.64	(3.64)	10.01	(10.01)
Cattles sold/ discarded during the year	(7.58)	(0.11)	(3.65)	-
Balance at the end of the year	**18.65**	**8.32**	**19.91**	**5.53**

As at 31 March 2021, there were 199 cattle (31 March 2020: 192 cattle) as immatured biological assets and 267 cattle (31 March 2020: 318 cattle) as matured biological assets. During the current year, the Company has sold/ discarded 132 cattle (31 March 2020: 55 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)

	As at 31 March 2021	As at 31 March 2020
Note 7: Non-current investments		
Investment in subsidiaries and associate		
Investment in equity instruments		
Carried at cost less provision for other than temporary impairment		
Unquoted		
Investment in subsidiaries		
Dodla Holding Pte. Limited, Singapore	407.84	407.84
6,606,628 (31 March 2020: 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 equity shares of face value ₹ 10 each, fully paid-up		
Investment in associate*		
Global VetMed Concepts India Private Limited	38.67	38.67
3,866,923 (31 March 2020: 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)
	437.84	**437.84**
Aggregate value of non-current investments - unquoted	476.51	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 ₹ 0.07 (31 March 2020: ₹ (3.90)). 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 44.

Note 8: Non-current loans

Unsecured, considered good		
Security deposits	96.80	91.33
Loans to subsidiary (refer note 41)	165.01	187.01
Unsecured, credit impaired		
Amounts receivable from vendors	5.00	5.00
Less: Allowance for doubtful receivables	(5.00)	(5.00)
	261.81	**278.34**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020

Note 9: Other non-current assets

Capital advances		
Unsecured, considered good	9.92	8.81
Advances other than capital advances (Unsecured, considered good)		
Prepaid expenses	1.64	2.49
Taxes paid under protest	0.10	0.10
	11.66	**11.40**

** Includes outstanding balances as disclosed under note 41 (iii).

Note 10: Inventories*

Raw materials and packing materials	321.38	730.81
Work-in-progress	234.08	133.85
Finished goods**	251.37	203.29
Stores and spares	46.62	42.25
	853.45	**1,110.20**
Carrying amount of inventories (included in above) pledged as securities for borrowings	853.45	1,110.20

*refer note 3(f) for mode of valuation for inventories.

**includes goods-in-transit amounting to ₹ 57.68 (31 March 2020: ₹ 33.76).

The write down of inventories to net realisable value during the year amounted to ₹ Nil (31 March 2020: ₹ 0.50). The write down are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

Note 11: Current investments

Investment in quoted mutual funds (carried at FVTPL)	604.28	115.22
	604.28	**115.22**
Aggregate book/ market value of current investments - quoted	604.28	115.22
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 44.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020

Note 12: Trade receivables

Secured	8.08	8.87
Unsecured, considered good	40.69	27.83
Unsecured, credit impaired	2.33	1.93
	51.10	**38.63**
Less: Allowance for doubtful debts	(2.33)	(1.93)
	48.77	**36.70**
Carrying amount of receivables (included in above) pledged as securities for borrowings.	48.77	36.70

The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 44.

Note 13: Cash and bank balances

(a) Cash and cash equivalents:		
Cash on hand	16.66	20.10
Balances with banks		
- in current accounts	163.88	197.22
- in deposit accounts (with original maturity of less than three months)	701.41	50.00
	881.95	**267.32**
(b) Other bank balances*	717.47	0.34
	717.47	**0.34**

* It includes bank deposits held against bank guarantees amounting to ₹ Nil (31 March 2020: ₹ 0.34).

Note 14: Current loans

Unsecured, considered good		
Amounts receivable from vendors	34.66	36.87
Loan to subsidiary (refer note 41)	22.00	11.00
	56.66	**47.87**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020

Note 15: Other financial assets

Non-Current

*Unsecured, considered good**		
Bank Deposits maturing after 12 months from the reporting date	0.43	-
	0.43	**-**

* Represents margin money deposits against bank guarantees.

Current

Unsecured, considered good		
Interest accrued	2.26	2.59
Accrued income	-	-
Amount paid under protest	0.14	0.14
Other receivables	2.13	-
	4.53	**2.73**

Note 16: Other current assets

Advances other than capital advances:

Unsecured, considered good:		
Salary advance to employees	2.77	3.68
Salary advance to key managerial person**	1.44	0.94
Prepaid expenses	18.10	26.31
Advance to suppliers	10.17	6.01
Share issue expenses (refer note (i) below)	44.55	-
Other advances**	20.25	12.08
Balance with government authorities	4.60	23.88
Unsecured, credit impaired:		
Other advances**	41.42	44.80
Less : Allowance for bad and doubtful advances	(41.42)	(44.80)
	101.88	**72.90**

Note (i): During the year ended 31 March 2021, the Company incurred expenses in connecttion 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 41 (iii).

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Note 17: Equity share capital		
Authorised		
75,000,000 (31 March 2020: 75,000,000) equity shares of ₹ 10 each	750.00	750.00
	750.00	**750.00**
Issued, subscribed and paid-up share capital		
58,324,511 (31 March 2020: 55,671,991) equity shares of ₹ 10 each fully paid-up	583.25	556.72
	583.25	**556.72**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	55,671,991	556.72	55,671,991	556.72
Issued during the year	2,652,520	26.53	-	-
Outstanding at the end of the year	**58,324,511**	**583.24**	**55,671,991**	**556.72**

(b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares as at 31 March 2021 having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, TPG Dodla Dairy Holdings Pte. Ltd ("the Investor") shall be paid from the distributable proceeds, an amount (hereafter referred to as the "investor liquidation amount") which is the higher of:

(i) an amount equal to the investment amount, plus any accrued or declared but unpaid dividends on its investor shares; and

(ii) such amount as is equivalent to it's proportionate share of the distributable proceeds, based on the Investor's then existing shareholding percentage, provided that, in the event that the distributable proceeds are less than the investor liquidation amount, the investor will have the right to receive (and the Promoters and the Company shall procure that the Investor receives) the entire distributable proceeds.

After the payment in full is made to the Investor, as set forth in above clause, the balance of the distributable proceeds, if any, shall be distributed to all shareholders, excluding the Investor pro rata in proportion to their inter se shareholding held in the Company.

However, with effect from the date of the listing of the equity shares of the Company on a recognised stock exchange in India pursuant to an initial public offering of the equity shares of the Company, all the equity shareholders shall be entitled to identical rights with respect to the liquidation i.e. the equity shareholders will be eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

(c) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹10 each, fully paid-up				
Mr. D. Sunil Reddy	8,269,038	14.18%	4,011,519	7.21%
Mrs. D. Deepa Reddy	7,433,958	12.75%	845,517	1.52%
Dodla Family Trust	16,144,877	27.68%	16,144,877	29.00%
Sunil Reddy (HUF)	-	0.00%	10,845,960	19.48%
Mylktree Consultants LLP	7,000,000	12.00%	7,000,000	12.57%
TPG Dodla Dairy Holdings Pte. Ltd.	15,031,434	25.77%	15,031,434	27.00%

(d) 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.

(e) 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 2021	As at 31 March 2020
Options outstanding at the beginning of the year	835,074	835,074
Options granted during the year	-	-
Options exercised during the year	-	-
Options exercisable at the end of the year	**835,074**	**835,074**

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 (₹)	430
Expected volatility	45.00%
Risk free rate	7.60%
For details on the employee benefits expense, refer note 33.	

Note 18: Other equity

Particulars	Attributable to the owners of the Company					
	Capital redemption reserve	Securities premium	Debenture redemption reserve	Share options outstanding account	Retained earnings	Total
Balance as at 01 April 2019	**12.00**	**568.28**	**3.30**	**18.94**	**2,810.10**	**3,412.62**
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	(2.38)	(2.38)
Employee share based payment expense	-	-	-	7.62	-	7.62
Transfer to Debenture redemption reserve	-	-	12.86	-	(12.86)	-
Dividend	-	-	-	-	(249.33)	(249.33)
Dividend distribution tax	-	-	-	-	(40.17)	(40.17)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	284.71	284.71
Balance as at 31 March 2020	**12.00**	**568.28**	**16.16**	**26.56**	**2,790.07**	**3,413.07**

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
Balance as at 01 April 2020	**12.00**	**568.28**	**16.16**	**26.56**	**2,790.07**	**3,413.07**
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
Balance as at 31 March 2021	**12.00**	**1,523.72**	**50.77**	**29.98**	**3,842.80**	**5,459.27**

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 17(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:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) 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)

Note 19: Non-current borrowings

	As at 31 March 2021	As at 31 March 2020
Secured		
Debentures		
507,705 (31 March 2020: 550,000) Redeemable non-convertible debentures of ₹ 1,000 each, fully paid-up	418.56	501.23
Term loans		
- from banks (refer below)	111.11	366.02
	529.67	**867.25**

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. The debentures are getting matured by 2026-27, outstanding amount (including current maturities) as at 31 March 2021 is ₹ 503.15 Million (31 March 2020 is ₹ 543.53).

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 as on 31 March 2021. 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 2021 is ₹ 12.19 Million (31 March 2020 is ₹ 28.44 Million).

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 as on 31 March 2021. 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 2021 is ₹ 18.75 Million (31 March 2020 is ₹ 43.75 Million).

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 as on 31 March 2021. 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 2021 is ₹ 4.69 Million (31 March 2020 ₹ 10.94 Million).

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 as on 31 March 2021. 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 guarantee furnished by the director of the Company, Mr. Sunil Reddy. Outstanding amount (including current maturities) as at 31 March 2021 is ₹ 11.25 Million (31 March 2020 ₹ 26.25 Million).

e) Term loan of ₹ 70 was taken from HDFC Bank during the financial year 2016-2017 which carries interest rate equal to MCLR plus 1.10% per annum i.e., 8.55% per annum as on 31 March 2021. It is repayable in 16 equal quarterly installments of ₹ 4.38 each commencing from April 2017. The term loan is secured by exclusive charge on all the

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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 2021 is Nil (31 March 2020 ₹ 17.50 Million).

f) 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., 8.00% per annum as on 31 March 2021. 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 Chendurthi 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 2021 is ₹ 166.67 Million (31 March 2020 ₹ 222.22 Million).

g) 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., 8.80% per annum as on 31st March 2021. 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 2021 is ₹ 152.47 Million (31 March 2020 ₹ 207.92 Million).

Aggregate amount of loans (including current maturities) guaranteed by the directors of the Company outstanding as at 31 March 2021 is ₹ 869.16 Million (31 March 2020 is ₹ 1100.54 Million).

The Company has not complied with the requirements of maintenance of current ratio (calculated as current assets to current liabilities) and prospective debt service coverage ratio (calculated as EBITDA to outstanding debt) associated with redeemable non convertible debentures issued to IFC for the year ended 31 March 2020. Subsequent to the year end, i.e., on 02 June 2020, IFC has waived the compliance with the current ratio and prospective debt service coverage ratio for the financial year ended 31 March 2020.

The Company has not complied with the requirement of maintenance of interest coverage service ratio (calculated as earnings before interest and tax to interest cost) associated with a term loan obtained from HDFC Bank for the year ended 31 March 2020. Subsequent to the year end, i.e., on 09 July 2020, HDFC has waived the non-compliance with the interest coverage service ratio for the financial year ended 31 March 2020.

Information about the Company's exposure to interest rate and liquidity risks is included in note 44.

	As at 31 March 2021	As at 31 March 2020
Note 20: Deferred tax liabilities, net		
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
On account of property, plant and equipment (PPE), goodwill and other intangible assets	517.37	406.00
Fair value changes in mutual funds	1.84	6.35
Others	8.94	5.49
Deferred tax assets		
Provision for employee benefits	(64.88)	(54.11)
Lease liability	(40.19)	(33.04)
Provision for impairment of receivables, advances and other assets, net	(17.03)	(19.99)
Others	(25.70)	-
Net deferred tax liability	**380.35**	**310.70**

Also refer note 37, for tax expense.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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
Balance as at 01 April 2019	**287.84**	**3.09**	**(40.32)**	**(18.35)**	**5.21**	**237.47**
Charged/ (credited):						
- to profit or loss	118.16	3.26	(12.51)	(1.64)	(32.76)	74.51
- to other comprehensive income	-	-	(1.28)	-	-	(1.28)
Balance as at 31 March 2020	**406.00**	**6.35**	**(54.11)**	**(19.99)**	**(27.55)**	**310.70**

	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
Balance as at 01 April 2020	**406.00**	**6.35**	**(54.11)**	**(19.99)**	**(27.55)**	**310.70**
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
Balance as at 31 March 2021	**517.37**	**1.84**	**(a64.88)**	**(17.03)**	**(56.95)**	**380.35**

Note 21: Government grants

	As at 31 March 2021	As at 31 March 2020
Non-current	25.55	28.38
Current	2.91	2.96
	28.46	**31.34**

Movement of government grants:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	**31.34**	**34.30**
Add: Received during the year	-	-
Less: Released to statement of profit and loss (refer note 30)	(2.88)	(2.96)
Balance at the end of the year	**28.46**	**31.34**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 22: Non-current provisions

Provision for employee benefits

	As at 31 March 2021	As at 31 March 2020
Compensated absences	72.85	76.16
Gratuity (refer note (ii) below)	14.28	18.63
	87.13	**94.79**

(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 33).

(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.

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 2021			As at 31 March 2020		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance (A)	**95.71**	**(73.74)**	**21.97**	**79.00**	**(69.21)**	**9.79**
Current service cost	15.31	-	15.31	14.84	-	14.84
Interest cost	5.74	-	5.74	5.86	-	5.86
Expected returns	-	(4.42)	(4.42)	-	(5.13)	(5.13)
Total amount recognised in profit or loss (B)	**21.05**	**(4.42)**	**16.63**	**20.70**	**(5.13)**	**15.57**
Remeasurements						
Gain from change in demographic assumptions	(11.26)	-	(11.26)	(6.63)	-	(6.63)
Loss from change in financial assumptions	5.20	-	5.20	10.28	-	10.28
Experience losses/ (gains)	0.87	(0.04)	0.83	(0.78)	0.79	0.01
Total amount recognised in other comprehensive income (C)	**(5.19)**	**(0.04)**	**(5.23)**	**2.87**	**0.79**	**3.66**
Contributions (D)	-	(14.59)	(14.59)	-	(7.05)	(7.05)
Benefits paid (E)	(8.87)	8.87	-	(6.86)	6.86	-
Acquisition adjustment (F)	-	-	-	-	-	-
Closing balance (A+B+C+D+E+F)	**102.70**	**(83.92)**	**18.78**	**95.71**	**(73.74)**	**21.97**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

b) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

	As at 31 March 2021	As at 31 March 2020
Discount rate	5.25%	6.00%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	24.72%	16.00%
Retirement age	58 years	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.

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 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	98.61	107.15	90.12	101.99
Salary escalation rate (1% movement)	106.85	98.80	101.60	90.34
Employee attrition rate (1% movement)	94.86	122.21	87.86	112.92

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.

d) The major categories of plan assets are as follows

	As at 31 March 2021	As at 31 March 2020
Funds managed by Life Insurance Corporation of India	83.92	73.74
Total	**83.92**	**73.74**

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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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.

f) Maturity profile of defined benefit obligation:

	As at 31 March 2021	As at 31 March 2020
1st following year	24.78	14.73
2nd following year	18.54	12.70
3rd following year	16.00	11.44
4th following year	13.36	10.86
5th following year	11.64	10.04
Thereafter	46.67	88.74

g) The Company expects to contribute a sum of ₹ 31.73 to the plan for the next annual accounting period (31 March 2020: ₹ 36.99).

h) The weighted average duration of the defined benefit obligation at the end of the year is 4 years (31 March 2020: 6 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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 23: Current borrowings

	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand from banks		
Secured		
Working capital demand loans	-	400.00
	-	**400.00**

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 by hypothcation of the Company's entire stocks of inventory and such other moveables including book debts, bills whether documentory 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 on the 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 8.03% to 9.00% per annum (31 March 2020: 9.05% per annum) and working capital demand loan carries an interest rate of Nil (31 March 2020: 7.95% to 8.70% per annum).

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 5.50% to 11.25% per annum (31 March 2020: 7.70% to 9.00% per annum).

iii) **Kotak Mahindra Bank:** The Company has taken working capital demand loan facility and cash credit facility from Kotak Mahindra Bank, secured by first pari-passu 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 movable 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 Rs. 26.14 Crores (Market Value) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Cash credit carried an interest rate of 9.05% per annum (31 March 2020: Nil) and working capital demand loan carries an interest rate of 7.40% to 8.00% per annum (31 March 2020: 7.80% to 8.35% per annum).

iv) **HDFC Bank:** The Company has taken cash credit and working capital demand loan facility from HDFC Bank. All these facilities are secured by pari-passu first charge on entire current assets of the Company, present and future. Second 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 9.80% per annum (31 March 2020: 9.50% to 10.00% per annum) and working capital demand loan carries an interest rate of Nil (31 March 2020: 8.00% to 9.00% per annum).

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 on fixed assets (movable and 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 7.00% to 7.85% per annum (31 March 2020: 7.00% to 8.00% per annum).

Aggregate amount of loans guaranteed by the directors of the Company outstanding as at 31 March 2021 is Nil (31 March 2020 is ₹ 400.00 Million).

Information about the Company's exposure to interest rate and liquidity risks is included in Note 44.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 24: Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note below)	13.49	7.76
Total outstanding dues of creditors other than micro enterprises and small enterprises **	800.56	674.56
	814.05	**682.32**

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 ₹ 1.06 shown under capital creditors (31 March 2020: ₹ Nil))	14.55	7.76
	- 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 deductable expenditure under Section 23 of the MSMED Act	-	-

** Includes a part of outstanding balances as disclosed under note 41 (iii).

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 44.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 25: Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Current maturities of long term debt from banks (refer note 19)	339.49	233.30
Interest accrued but not due on borrowings	2.54	4.14
Capital creditors***	43.16	27.31
Dividend payable	-	67.32
Employee payables**	114.73	107.43
Security deposits	204.87	166.58
	704.79	**606.08**

** Includes a part of outstanding balances as disclosed under note 41 (iii).

***Includes a part of outstanding balance as disclosed under note 24 on MSME disclosure

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 44.

Note 26: Current provisions

Provision for employee benefits

	As at 31 March 2021	As at 31 March 2020
Compensated absences	27.95	17.88
Gratuity (refer note 22)	4.50	3.34
Provision for litigations (refer note below)	79.35	6.74
	111.80	**27.96**

Note:

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance
Provision for litigations				
- For the year ended 31 March 2021	**6.74**	72.61	-	**79.35**
- For the year ended 31 March 2020	**6.74**	-	-	**6.74**

Provision for litigations represents provision towards potential liability against an indirect tax case based on Company's internal assessment.

Note 27: Current tax liabilities (net)

Current tax liability	156.34	154.44
Dividend distribution tax payable	-	40.17
Current tax asset	(18.92)	(18.92)
	137.42	**175.69**

Also refer note 37, for tax expense.

Note 28: Other current liabilities

Advance from customers	36.11	32.76
Statutory dues	22.29	16.82
Other liabilities	1.20	-
	59.60	**49.58**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020

Note 29: Revenue from operations

Sale of goods		
- Finished goods	18,325.98	19,844.97
Sale of services		
- Conversion service charges	35.60	23.91
Other operating revenue		
- Sale of scrap	7.46	7.28
	18,369.04	**19,876.16**

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

Contract price	18,691.55	20,337.50
Less: Discounts and incentives	(322.51)	(461.34)
	18,369.04	**19,876.16**

Note 30: Other income

Interest income		
- on deposits	24.28	0.14
- on others	20.34	15.54
Amortisation of government grants (refer note (i) below and note 21)	2.88	2.96
Changes in fair value of biological assets (refer note 6)	9.22	2.09
Fair value gain on financial assets measured at fair value through profit and loss	3.43	9.79
Dividend income from non-current investment	-	53.96
Profit on sale of investments in mutual funds, net	0.57	23.68
Gain on account of foreign exchange fluctuations, net	-	0.05
Other non-operating income	17.16	15.40
	77.88	**123.61**

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 2021	For the year ended 31 March 2020
Note 31: Cost of materials consumed		
Inventory of materials at the beginning of the year	730.81	226.80
Add: Purchases	12,714.50	15,532.70
Less: Inventory of materials at the end of the year	321.38	730.81
	13,123.93	**15,028.69**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 32: Changes in inventories of finished goods and work-in-progress		
a) Finished goods		
Opening stock	203.29	701.78
Closing stock	(251.37)	(203.29)
b) Work-in-progress	**(48.08)**	**498.49**
Opening stock	133.85	209.65
Closing stock	(234.08)	(133.85)
	(100.23)	**75.80**
	(148.31)	**574.29**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 33: Employee benefits expense		
Salaries, wages and bonus	737.19	757.04
Employee share based payment expenses (refer notes 17(e) and 18)	3.42	7.62
Contribution to provident and other funds	52.03	55.37
Expenses related to post-employment defined benefit plans (refer note 22)	16.63	15.57
Staff welfare expense	7.26	8.09
	816.53	**843.69**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 34: Finance costs		
Interest expense on loan from banks	106.85	141.94
Other interest costs	11.68	12.17
Other borrowing costs	-	6.92
	118.53	**161.03**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 35: Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 4)	437.53	427.25
Amortisation of intangible assets (refer note 5)	35.97	36.10
	473.50	**463.35**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 36: Other expenses		
Power and fuel	340.97	346.53
Consumption of stores and spare parts	176.65	149.86
Milk procurement expenses	16.08	29.47
Freight inward and handling	566.06	410.16
Repairs and maintenance:		
- building	12.58	15.91
- machinery	10.92	13.48
- other assets	11.10	4.17
Lease rent	41.05	41.70
Rates and taxes	91.49	18.33
Communication	9.56	10.40
Printing and stationery	12.74	14.05
Travelling and conveyance	46.66	69.41
Vehicle hire charges	9.00	8.57
Bank charges	8.54	7.39
Legal and professional fees (refer note (i) below)	59.41	68.45
Security expenses	42.00	40.02
Bad debts written off	1.69	0.49
Provision for impairment of receivables	0.40	1.29
Impairment loss on doubtful advances	(3.38)	(2.70)
Insurance	22.84	19.72
Loss on sale/ retirement of property, plant and equipment, net	0.06	3.19
Loss on sale/ discard of biological assets, net	4.31	1.44
Corporate social responsibility (refer note 41(ii))	13.35	2.00
Carriage outwards	822.69	978.70
Advertisement	48.51	75.44
Share issue expenses written off	-	72.73
Miscellaneous	42.68	49.83
	2,407.96	**2,450.03**

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 tax)*

	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit fees		
Audit services	4.65	4.30
Certification services	0.17	0.17
Out-of-pocket expenses	0.14	0.19
	4.96	**4.66**

* During the year ended 31 March 2021, the Company has incurred ₹ 12.63 (31 March 2020: ₹ 1.00) towards service received from the auditors of the Company in relation to the proposed 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 16).

(ii) Corporate social responsibility

Gross amount required to be spent by the Company during the year amounts to ₹ 13.35 (31 March 2020: ₹ 14.58).

Amount spent during the year ended 31 March 2021 on		**In cash**	**Yet to be paid in cash**	**Total**
Construction or acquisition of assets		12.15	-	**12.15**
Purposes other than construction or acquisition of assets		-	-	**-**
Amount spent during the year ended 31 March 2020 on		**In cash**	**Yet to be paid in cash**	**Total**
Construction or acquisition or of assets		-	-	**-**
Purposes other than construction or acquisition of assets		2.00	-	**2.00**
Balance as at 1 April 2020	With the Company			-
	In separate CSR Unspent Account			-
Amount required to be spend during the year				**13.35**
Amount spent during the year	From the Company's bank account			12.15
	From separate unspent CSR unspent account			-
Balance as at 31 March 2021	With the Company			-
	In separate CSR Unspent Account*			1.20

* The amount has been provided in the books of account and shown as "Other liabilites" in the Balance sheet.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 37: Income tax expense		
(a) Amounts recognised in profit or loss		
Current tax	503.02	119.47
Deferred tax	67.82	74.51
	570.84	**193.98**
(b) Amounts recognised in other comprehensive income		
Current tax	-	-
Deferred tax (refer note 20)	1.83	(1.28)
	1.83	**(1.28)**

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2021		For the year ended 31 March 2020	
Profit before tax		**1,654.78**		**478.69**
Tax using the Company's domestic tax rate	34.94%	578.25	34.94%	167.27
Tax effect of:				
Tax exempt income	-5.76%	(95.34)	-2.28%	(10.93)
Adjustment for items taxed at a lower rate	-0.09%	(1.55)	-2.02%	(9.65)
Others	5.52%	91.31	9.88%	46.01
	34.61%	**572.67**	**40.52%**	**192.70**

Note 38: Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
i) Claims against the Company not acknowledged as debts*:		
Income-tax matters	0.99	0.99
Indirect tax matters related to assessment of Central Sales Tax and Customs on import of machinery	81.24	113.80

*It does not include any interest/ penalty which may arise at the time of completion of the respective proceedings.

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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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 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 39: Commitments

Capital commitments:

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	28.89	170.37

Note 40: Earnings per share ('EPS')

	For the year ended 31 March 2021	For the year ended 31 March 2020
Earnings		
Profit attributable to equity shareholders (A)	1,083.94	284.71
Weighted average number of equity shares outstanding during the year (B)	56,042,617	55,671,991
Effect of potential equity shares on employee stock options outstanding	360,576	-
Weighted average number of equity shares outstanding during the year for the purpose of computing Diluted Earnings Per Share (C)	56,403,193	55,671,991
Basic earnings per share of face value of ₹10 (A/B)	19.34	5.11
Diluted earnings per share of face value of ₹10 (A/C)	19.22	5.11

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 41: 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 description of relationship:

Nature of relationship	Name of the related party
Entity exercising significant influence over the Company	TPG Dodla Dairy Holdings Pte. Ltd.
Subsidiaries (including step down subsidiary)	Dodla Holdings Pte Limited
	Orgafeed Private Limited
	Lakeside Dairy Limited
	Dodla Dairy Kenya Limited
Associate	Global VetMed Concepts India Private Limited ('GVC')
Key management personnel ('KMP')	Mr. Sunil Reddy, Managing Director
	Mr. Sesha 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. Ponnavolu Divya, Independent Director Mr. Tallam Puranam Raman, Independent Director Mr. Akshay Tanna, Nominee Director
Relatives of KMP	Mr. Sesha 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
Enterprise over which KMP have significant influence	Dodla Dairy, Vinjimuru
	D Soft India Private Limited
	Surekha Milk Chilling Centre
	Tropical Bovine Genetics Private Limited
	Hanslot Pile Foundation
	Mylktree Consultants LLP
	Dodla Family Trust
	Dodla Sunil Reddy HUF
	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 2021	For the year ended 31 March 2020
Lease rent paid		
- Dodla Dairy, Vinjimuru	1.20	1.20
- Surekha Milk Chilling Centre	0.96	0.92
- Hanslot Pile Foundation	0.30	0.30
Rent paid		
- Dodla Nutri Feeds LLP	0.19	1.14
Software maintenance expenses		
- D Soft India Private Limited	0.60	0.60
Remuneration paid to Key Managerial Personnel (refer note b)		
- Short-term employee benefits	71.44	55.65
- Post employment benefits	3.10	3.00
Sitting fees		
- Mr. Kishore Hiranand Mirchandani	0.30	0.60
- Mr. Rampraveen Swaminathan	1.10	0.80
- Ms. Ponnavolu Divya	0.50	0.50
- Mr. Tallam Puranam Raman	0.50	0.30
Purchase of raw material		
- GVC	9.82	10.89
Consultancy income		
- Orgafeed Private Limited	0.53	-
- Dodla Dairy Kenya Limited	0.41	-
- Lakeside Dairy Limited	1.29	-
- Dodla Holdings Pte. Ltd	0.06	-
Sale of Asset		
- Orgafeed Private Limited*	0.00	-
Dividend received		
- Dodla Holdings Pte. Limited	-	53.96
Expenditure incurred on behalf of		
- GVC	6.44	8.19
- Orgafeed Private Limited	0.05	9.67
- Lakeside Dairy Limited	0.49	0.82
- Dodla Dairy Kenya Limited	0.18	0.85
Consultancy expense		
- Mr. Sesha Reddy	3.68	3.60
- Ms. Shilpa Reddy	0.90	0.85
Lease rent received		
- Orgafeed Private Limited	0.12	0.07
Interest income		
- Orgafeed Private Limited	17.98	8.82

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of goods		
- Tropical Bovine Genetics Private Limited	1.39	1.54
- Orgafeed Private Limited	217.65	97.20
Interim dividend paid		
- Dodla Family Trust	-	72.31
- TPG Dodla Dairy Holdings Pte. Ltd.	-	67.32
- Dodla Sunil Reddy HUF	-	48.57
- Mr. Sunil Reddy	-	17.97
- Mrs. Deepa Reddy	-	3.79
- Mr. B. V. K. Reddy	-	3.04
- Mrs. Surekha Reddy	-	2.49
- Mr. Sesha Reddy	-	2.49
- Ms. Girija Reddy*	-	0.00
- Mr. Subba Reddy*	-	0.00
- Mylktree Consultants LLP	-	31.35
Corporate social responsibility expenditure incurred		
- Dodla Foundation	12.15	2.00

* Below rounding off norm adopted by the company. The actual amounts in ₹ are:

Interim dividend paid to Ms. Girija Reddy - ₹ 76

Interim dividend paid to Mr. Subba Reddy - ₹ 76

Sale of asset - ₹ 2.

(iii) Balances with related parties:

Particulars	As at 31 March 2021	As at 31 March 2020
Other current and non-current assets		
- GVC – Other advances	41.40	44.80
- GVC – Provision for doubtful advances	(41.40)	(44.80)
- Orgafeed Private Limited – Accrued income	0.53	-
- Dodla Dairy Kenya Limited – Accrued income	0.41	-
- Lakeside Dairy Limited – Accrued income	1.16	-
- Dodla Holdings Pte. Ltd – Accrued income	0.06	-

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
- Orgafeed Private Limited – Loan	187.09	198.01
- Orgafeed Private Limited – Rent receivable	-	0.01
- Mr. B.V.K. Reddy – Advance given against salary, net	1.31	0.61
- Mr. A. Madhusudhana Reddy – Advance given against salary, net	0.13	0.33
- Lakeside Dairy Limited – Other advances**	-	0.00
Other financial liabilities and trade payables		
- Dodla Nutri Feeds LLP	-	0.15
- Tropical Bovine Genetics Private Limited	0.25	0.34
- Dodla Dairy, Vinjimuru	0.10	0.10
- Dodla Dairy Kenya Limited	0.08	-
- Hanslot Pile Foundation	0.02	0.02
- Lakeside Dairy Limited	0.09	-
- Surekha Milk Chilling Centre	0.08	0.07
- D Soft India Private Limited	0.05	0.05
- Orgafeed Private Limited	7.83	2.22
- Ms. Shilpa Reddy – Consultancy fees payable	0.08	0.07
- Mr. Sesha Reddy – Consultancy fees payable	0.33	0.27
- Mr. Sunil Reddy – Remuneration payable, net	0.84	0.60
- Mr. B.V.K Reddy – Remuneration payable, net	-	0.96
- Mr. A. Madhusudhana Reddy – Remuneration payable, net	0.14	0.15
- Mr. Anjaneyulu Ganji – Remuneration payable, net	0.46	-
- Mr. Hemanth Kundavaram – Remuneration payable, net	-	0.35

** Below rounding off norm adopted by the Company. The actual amounts in ₹ are:

Other advances to Lakeside Dairy Limited - ₹ 1,438

Notes:

a. The borrowings of the Company are secured by personal guarantees given by the director of the Company, Mr. Sunil Reddy as detailed in note 19 and 23.

b. 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 ₹ 3.42 (31 March 2020: ₹ 7.62) is also not included in the remuneration disclosed above.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 42: Segment reporting

The Company has presented segment information in the consolidated financial statements. 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 43: Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 44: Financial instruments - fair values and risk management

Accounting classification and fair values

	As at 31 March 2021		As at 31 March 2020		Fair value level
Financial instruments by category	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	
Financial assets					
Investments in mutual funds (refer note (a) below)	-	604.28	-	115.22	Level 1
Investment in subsidiary and associate	437.84	-	437.84	-	-
Trade receivables	48.77	-	36.70	-	-
Cash and cash equivalents	881.95	-	267.32	-	-
Bank balances other than above	717.47	-	0.34	-	-
Non-current loans receivable	261.81	-	278.34	-	-
Current loans receivable	56.66	-	47.87	-	-
Other non-current financial assets	0.43	-	-	-	-
Other current financial assets	4.53	-	2.73	-	-
Total financial assets	**2,409.46**	**604.28**	**1,071.14**	**115.22**	
Financial liabilities					
Borrowings (current and non-current)	869.16	-	1,500.55	-	-
Lease liabilities	114.99	-	94.55	-	-
Trade payables	814.05	-	682.32	-	-
Interest accrued but not due on borrowings	2.54	-	4.14	-	-
Capital creditors	43.16	-	27.31	-	-
Employee payables	114.73	-	107.43	-	-
Dividend payable	-	-	67.32	-	-
Security deposits	204.87	-	166.58	-	-
Total financial liabilities	**2,163.50**	**-**	**2,650.20**	**-**	

Notes to the Standalone 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 Company has not disclosed the fair values for investment in subsidiary and associate, 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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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.

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
Expected credit loss on 01 April 2019	(0.64)
Changes in loss allowance	(1.29)
Expected credit loss on 31 March 2020	**(1.93)**
Changes in loss allowance	(0.40)
Expected credit loss on 31 March 2021	**(2.33)**

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 2021 and 31 March 2020. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	As at 31 March 2021				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
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	-	-
	2,163.50	**2,373.15**	**1,548.63**	**243.65**	**580.87**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Particulars	As at 31 March 2020				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	689.06	689.06	689.06	-	-
Borrowings	1,500.55	1,708.92	684.34	384.35	640.23
Lease liabilities	94.55	137.77	22.16	19.50	96.11
Other financial liabilities	372.78	372.78	372.78	-	-
	2,656.94	**2,908.53**	**1,768.34**	**403.85**	**736.34**

As disclosed in note 19, the Company has loans that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Covenants are monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreements.

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 2021	As at 31 March 2020
Variable rate borrowings	366.01	957.01
Total	**366.01**	**957.01**

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 2021	As at 31 March 2020
Interest rate - increases by 50 basis points	(1.83)	(4.79)
Interest rate - decreases by 50 basis points	1.83	4.79

Currency risk

The Company has no material foreign exchange exposure as at 31 March 2021 and 31 March 2020.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 45: Capital management

(a) Risk management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For this purpose, total debt is defined as total borrowings (including current maturities of long-term borrowings and short-term borrowings). Total equity comprises of issued share capital and all other equity reserves.

The Company monitors capital on the basis of the following:

	As at 31 March 2021	As at 31 March 2020
Total debt	869.16	1,500.55
Total equity	6,042.52	3,969.79
Total debt to equity ratio	**0.14**	**0.38**

(b) Dividends

During the year, no interim dividend has been declared by the Company (31 March 2020: 249.33 (interim divided of ₹ 5.2 per share)).

Note 46: During the year ended 31 March 2021, no material foreseeable losses (year ended 31 March 2020: Nil) was incurred for any long-term contract including derivative contracts.

Note 47: Details of the loan given under Section 186 of the Companies Act, 2013

Pursuant to incorporation of a subsidiary Orgafeed Private Limited in the previous 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 will commence from the financial year 2020-21. The loan was given for the general business purpose.

Movement in the balance is as below:

Particulars	Amount
As at 01 April 2019	**-**
Given during the financial year 2019-20	198.01
Repaid during the financial year 2019-20	-
As at 31 March 2020	**198.01**
Given during the financial year 2020-21	10.00
Repaid during the financial year 2020-21	(21.00)
As at 31 March 2021	**187.01**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 48: Leases - In the capacity of lessee

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard / amendments are applicable to the Company with effect from 01 April 2019.

The Company has applied Ind AS 116 using the modified retrospective method and elected to measure the Right of-Use assets at an amount equal to the lease liability as at the date of initial application, on the date of initial application.

Under Ind AS 116

The Company has elected the practical expedient and therefore is permitted not to re-assess whether existing contracts contains a lease as defined under Ind AS 116 at the initial application date.

On transition to Ind AS 116, the Company has recognised right-of-use assets amounting to ₹ 105.16 and lease liabilities amounting to ₹ 105.16. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 01 April 2019. The rate applied ranges from 9.00% p.a. to 9.62% p.a.

The following tables summarise the movement in lease liabilities:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	94.55	-
Transfer on account of adoption of Ind AS 116	-	105.16
Additions	39.60	-
Interest expenses	8.99	8.04
Deletions	(3.60)	-
Payment of lease liabilities	(24.55)	(18.65)
Balance at the end	**114.99**	**94.55**

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 2021	As at 31 March 2020
Maturity analysis – contractual undiscounted cash flows		
Less than one year	27.22	22.16
One to two years	24.30	19.50
More than two years	117.69	96.11
Total	**169.21**	**137.77**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Lease liabilities included in the balance sheet

	As at 31 March 2021	As at 31 March 2020
Current	16.81	25.71
Non-current	98.18	68.84
Total	**114.99**	**94.55**

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 36).

	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses relating to short term leases (Refer note 36)	41.05	41.70
Expenses relating to low value leases	-	-

The following are the amounts recognised in standalone statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Right-of-use assets	19.78	16.52
Interest expenses	8.99	8.04
	28.77	**24.56**
Amounts recognised in Statement of Cashflows		
Payment of lease liabilities	24.55	18.65
	24.55	**18.65**

Note 49: Subsequent events

Subsequent to 31 March 2021, the Company has offered and issued 12,153,668 Equity Shares of Rs. 10 each in relation to Initial Public Offering ('IPO') comprising a fresh issue of Equity shares by the Company and an offer for sale of the Equity Shares by certain existing shareholders of the Company. Subsequent to the IPO, the Equity Shares of the Company were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 28 June 2021.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 50: Impact of COVID-19

In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious. However, the Government classified Dairy business as “Essential Commodity” and granted certain relaxations and guidelines so that production, processing and distribution of Milk and milk products will not be effected. The Company’s production, processing and supply chain facilities remain in operation during lockdown period, following safety measures as per guidelines issued by Government. Thus, the impact of COVID-19 on the Company is minimal at this point of time. The Company has assessed the recoverability of Goodwill, receivables, inventories, certain investments and other financial assets considering the available internal and external information up to the date of approval of financial statements and made adjustments wherever necessary. Considering the nature of these assets, the Company expects to recover the carrying amount of these assets. The actual impact of global health pandemic may be different from that estimated as at the date of approval of 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/-
Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: 14 July 2021

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 14 July 2021

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

INDEPENDENT AUDITORS' REPORT

To the Members of Dodla Dairy Limited

Report on the Audit of 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 2021, 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 2021, 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 the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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 financial statements and our Auditors' Report thereon. The information included in the annual report is expected to be made available to us after the date of Auditor's Report.

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.

When we read the other information included in the director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

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/ loss 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 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 is 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- 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 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 information 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 financial information 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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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.

Other Matters

We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of INR 1,465.63 million as at 31 March 2021, total revenues (before consolidation adjustments)of INR 2,090.77 million and net cash inflows (before consolidation adjustments) amounting to INR 59.92 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 INR Nil for the year ended 31 March 2021, 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 audit 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 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 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 report of other auditors and the conversion adjustments prepared by the Management of the 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 the other auditors.

Report on Other Legal and Regulatory Requirements

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 2021 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 company and its associate company incorporated in India is disqualified as on 31 March 2021 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 A".

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:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associate. Refer Note 38 to the consolidated financial statements.

ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 49 to the consolidated financial statements;

iii. 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 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

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

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) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Sd/-
Hemant Maheshwari
Partner
Membership No.: 096537
ICAI UDIN: 21096537AAAAER1478

Place: Hyderabad
Date: 14 July 2021

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Dodla Dairy Limited for the year ended 31 March 2021

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 (hereinafter referred to as "the Act")

(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 the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Dodla Dairy Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary company and its associate company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary company and its associate 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 2021, 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 and Board of Directors 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 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 auditors of the relevant subsidiary company and associate company in terms of their reports 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 reports 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 and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Sd/-
Hemant Maheshwari
Partner
Membership No.: 096537
ICAI UDIN: 21096537AAAAER1478

Place: Hyderabad
Date: 14 July 2021

Consolidated Balance Sheet

(All amount are in rupees millions, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,955.75	4,822.62
Capital work-in-progress	4	82.83	112.44
Goodwill	5	441.70	441.70
Other intangible assets	5	65.01	98.66
Biological assets other than bearer plants			
(i) Matured biological assets	6	18.65	19.91
(ii) Immatured biological assets	6	8.32	5.53
Financial assets			
(i) Investments	7	-	3.42
(ii) Loans	8	98.68	93.73
(iii) Other financial assets	15	0.43	-
Other tax assets	27	19.60	87.58
Deferred tax assets (net)	20	0.74	0.21
Other non-current assets	9	11.66	11.40
Total non-current assets		**5,703.37**	**5,697.20**
Current assets			
Inventories	10	961.72	1,201.70
Financial assets			
(i) Investments	11	604.28	115.22
(ii) Trade receivables	12	48.88	72.03
(iii) Cash and cash equivalents	13 (a)	1,241.44	686.73
(iv) Bank balances other than above	13 (b)	1,003.04	0.34
(v) Loans	14	35.41	37.61
(vi) Other financial assets	15	3.62	6.48
Other current assets	16	120.69	108.80
Total current assets		**4,019.08**	**2,228.91**
Total assets		**9,722.45**	**7,926.11**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	583.25	556.72
Other equity	18	5,996.45	3,778.24
Equity attributable to owners of the Company		**6,579.70**	**4,334.96**
Non-controlling interest		-	-
Total equity		**6,579.70**	**4,334.96**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	529.67	867.25
(ii) Lease liabilities		99.37	70.69
Deferred tax liabilities (net)	20	454.70	365.13
Government grants	21	25.55	28.38
Provisions	22	87.55	94.91
Total non-current liabilities		**1,196.84**	**1,426.36**
Current liabilities			
Financial liabilities			
(i) Borrowings	23	-	400.00
(ii) Lease liabilities		17.62	26.45
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	24	13.49	7.91
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	851.22	774.25
(iv) Other financial liabilities	25	724.91	611.33
Government grants	21	2.91	2.96
Provisions	26	111.80	27.96
Current tax liabilities (net)	27	158.78	260.92
Other current liabilities	28	65.18	53.01
Total current liabilities		**1,945.91**	**2,164.79**
Total liabilities		**3,142.75**	**3,591.15**
Total equity and liabilities		**9,722.45**	**7,926.11**

Significant accounting policies

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/-
Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: 14 July 2021

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

Place: Hyderabad
Date: 14 July 2021

Consolidated Statement of Profit and Loss

(All amount are in rupees millions, unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	29	19,440.06	21,393.73
Other income	30	63.68	62.76
Total income		**19,503.74**	**21,456.49**
Expenses			
Cost of materials consumed	31	13,662.00	15,830.77
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(152.68)	575.01
Employee benefits expense	33	897.99	911.15
Finance costs	34	118.92	161.39
Depreciation and amortisation expense	35	507.27	491.92
Other expenses	36	2,608.08	2,667.54
Total expenses		**17,641.58**	**20,637.78**
Profit before tax		**1,862.16**	**818.71**
Income tax expense			
-Current tax	37	515.25	211.35
-Deferred tax	37	87.21	108.65
Total tax expense		**602.46**	**320.00**
Profit for the year (A)		**1,259.70**	**498.71**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating financial statements of foreign operations		(3.75)	52.12
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit obligation		5.23	(3.66)
Income tax relating to these items	37	(1.83)	1.28
Other comprehensive income for the year (B)		**(0.35)**	**49.74**
Total comprehensive income for the year (A+B)		**1,259.35**	**548.45**
Profit attributable to:			
Owners of the Company		1,259.70	498.71
Non-controlling interest		-	-
Profit for the year		**1,259.70**	**498.71**
Other comprehensive income attributable to:			
Owners of the Company		(0.35)	49.74
Non-controlling interest		-	-
Other comprehensive income for the year		**(0.35)**	**49.74**
Total comprehensive income attributable to:			
Owners of the Company		1,259.35	548.45
Non-controlling interest		-	-
Total comprehensive income for the year		**1,259.35**	**548.45**
Earnings per share (nominal value of equity shares of ₹ 10 each, fully paid-up)	40		
Basic [in ₹]		22.48	8.96
Diluted [in ₹]		22.33	8.96
Weighted average number of equity shares used in computing earnings per share:			
-Basic		56,042,617	55,671,991
-Diluted		56,403,193	55,671,991

Significant accounting policies

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

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
Hemant Maheshwari
Partner
Membership number: 096537

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 14 July 2021

Place: Hyderabad
Date: 14 July 2021

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

Consolidated Statement of Changes in Equity

(All amount are in rupees millions, unless otherwise stated)

Particulars	Equity share capital	Other equity						Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus								
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve	Share options outstanding account	Retained earnings			
Balance as at 01 April 2019	**556.72**	**12.00**	**568.28**	**3.30**	**(50.62)**	**18.94**	**2,959.77**	**4,068.39**	**-**	**4,068.39**
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	-	498.71	498.71	-	498.71
Employee share based payment expense	-	-	-	-	-	7.62	-	7.62	-	7.62
Exchange differences in translating financial statements of foreign operations	-	-	-	-	52.12	-	-	52.12	-	52.12
Dividend	-	-	-	-	-	-	(249.33)	(249.33)	-	(249.33)
Dividend distribution tax	-	-	-	-	-	-	(40.17)	(40.17)	-	(40.17)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	-	(2.38)	(2.38)	-	(2.38)
Transfer to debenture redemption reserve	-	-	-	12.86	-	-	(12.86)	-	-	-
Balance as at 31 March 2020	**556.72**	**12.00**	**568.28**	**16.16**	**1.50**	**26.56**	**3,153.74**	**4,334.96**	**-**	**4,334.96**

Particulars	Equity share capital	Other equity						Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus								
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve	Share options outstanding account	Retained earnings			
Balance as at 01 April 2020	**556.72**	**12.00**	**568.28**	**16.16**	**1.50**	**26.56**	**3,153.74**	**4,334.96**	**-**	**4,334.96**
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)	-	-	-
Balance as at 31 March 2021	**583.25**	**12.00**	**1,523.72**	**50.77**	**(2.25)**	**29.98**	**4,382.23**	**6,579.70**	**-**	**6,579.70**

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

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
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Partner
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Managing Director
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Sd/-
B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 14 July 2021

Place: Hyderabad
Date: 14 July 2021

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

Consolidated Statement of Cash Flows

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities		
Profit before tax	1,862.16	818.71
Adjustments for:		
Depreciation and amortisation expense	507.27	491.92
Changes in fair valuation of biological assets	(9.22)	(2.08)
Loss on sale/ retirement of property, plant and equipment, net	3.80	10.23
Loss on sale/ discard of biological assets, net	4.31	1.44
Interest income	(30.53)	(6.87)
Finance costs	118.92	161.39
Employee share based payment expense	3.42	7.62
Profit on sale of current investments in mutual fund, net	(0.57)	(23.68)
Fair value loss on financial assets measured at fair value through profit and loss, net	(3.43)	(9.79)
Government grant income	(2.88)	(2.96)
	2,453.25	**1,445.93**
Change in operating assets and liabilities		
Decrease in trade receivables	23.16	4.19
Decrease in inventories	238.92	51.14
Increase in loans and other financial assets	(1.19)	(6.51)
Decrease in other current and non-current assets	6.99	98.13
Increase in trade payables and other financial liabilities	144.85	158.03
Increase in employee benefits obligation	81.71	26.65
Increase/ (decrease) in other current and non-current liabilities	12.17	(6.53)
Cash generated from operations	**2,959.86**	**1,771.03**
Income taxes paid, net	(509.24)	(115.22)
Net cash generated from operating activities	**2,450.62**	**1,655.81**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(573.46)	(953.04)
Proceeds from sale of property, plant and equipment	11.08	2.88
Proceeds from sale of biological assets	3.38	2.20
Purchase of mutual funds	(550.00)	(740.00)
Proceeds from sale of mutual funds	68.36	914.81
Interest received	33.39	2.79
Deposits (placed)/ redeemed (having original maturity of more than three months), net	(993.91)	0.48
Net cash used in investing activities	**(2,001.16)**	**(769.88)**
Cash flows from financing activities		
Repayment of long term borrowings to banks	(231.39)	(163.69)
(Payment)/ receipt of short term borrowings, net	(400.00)	250.00
Issue of Shares	1,000.00	-
Share issue expenses	(18.03)	-
Payment of dividend including dividend distribution tax	(107.49)	(182.01)
Lease liability payment	(25.15)	(19.46)
Finance costs paid	(109.47)	(141.46)
Net cash generated from/(used in) financing activities	**108.47**	**(256.62)**
Net increase in cash and cash equivalents	**557.93**	**629.31**
Cash and cash equivalents at the beginning of the year	686.73	50.83
Effect of exchange rate fluctuations on cash held	(3.22)	6.59
Cash and cash equivalents at end of the year	**1,241.44**	**686.73**

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 2021	As at 31 March 2020
Cash on hand	17.40	20.60
Balances with banks		
-in current accounts	401.18	255.19
-in deposit accounts (with original maturity of less than three months)	822.86	410.94
Cash credit and overdraft balances	-	-
Balances as per statement of cash flows	**1,241.44**	**686.73**

ii. Movement in financial liabilities

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance of borrowings		
Non-current borrowings (including current maturities)	1,100.55	1,264.24
Current borrowings	400.00	150.00
Lease liabilities	97.14	-
Interest accrued but not due on borrowings	3.69	4.52
Movement		
Cash flows	(633.76)	86.31
Payment of lease liabilities	(25.15)	(19.46)
Interest expense	115.66	130.63
Interest paid	(111.00)	(124.67)
Other non-cash movements		
- Addition to lease liabilities	40.03	108.21
- Borrowing cost amortisation	1.53	1.60
Closing balance of borrowings		
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

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/-
Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: 14 July 2021

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 14 July 2021

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

Notes to Consolidated Financial Statements

(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 14 July 2021.

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 50 - 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 6 - determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 22 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3(a) - useful life of property, plant and equipment
- Note 3(b) - impairment of intangible assets.
- Note 45 - impairment of financial assets
- Note 50 - 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).

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:

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

- Note 6 - Biological assets other than bearer plants

- Note 45 - Financial instruments

- Note 17(e) - Share based payment arrangement

- Note 47 (c) - Business combination

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.

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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

(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.

(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 2021	As at 31 March 2020
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

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

(vii) Principles of consolidation

These consolidated financial statements have been prepared by consolidation of the financial statements of the Group 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 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, platn and equipment has been provided at the rates based on the following useful lives ofproperty, 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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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.

(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

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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 infows 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.

(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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

- 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 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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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.

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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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.

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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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.

(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.

(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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

(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 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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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.

(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.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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.

(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 and contingent liabilities

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. 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

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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 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) 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

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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.

(s) 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.

(t) Recent accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes to Consolidated Financial Statements (continued)

(All amounts are in Indian Rupees (₹) except for share data or 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 2020	Acquired through Business Combination (Note 47)	Additions	Disposals	Forex adjustment	As at 31 March 2021	As at 01 April 2020	Depreciation for the period	Disposals	Forex adjustment	As at 31 March 2021	As at 31 March 2021
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	195.06	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	760.10	2,371.65
ELECTRICAL INSTALLATIONS	116.79	-	5.86	0.21	-	122.44	38.16	12.54	0.11	-	50.59	71.85
ELECTRONIC DATA PROCESSORS	44.84	-	6.05	2.18	(0.06)	48.65	29.71	10.51	2.17	(0.04)	38.01	10.64
OFFICE EQUIPMENTS	36.34	-	6.61	1.33	(0.06)	41.56	17.37	6.71	1.31	(0.01)	22.76	18.80
FURNITURE AND FIXTURES	117.17	-	9.51	0.52	(0.05)	126.11	26.44	13.84	0.33	(0.01)	39.94	86.17
LABORATORY EQUIPMENTS	541.04	-	82.74	8.01	0.02	615.79	375.07	110.55	7.92	0.01	477.71	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	37.14	135.21
LEASEHOLD IMPROVEMENTS	16.99	-	13.13	0.24	-	29.88	0.56	1.81	0.02	-	2.35	27.53
VEHICLES	56.23	-	3.52	6.97	(0.08)	52.70	16.37	7.67	2.77	-	21.27	31.43
TOTAL	**6,015.58**	**-**	**615.93**	**33.02**	**2.19**	**6,600.68**	**1,192.96**	**469.67**	**18.14**	**0.44**	**1,644.93**	**4,955.75**

Description	As at 01 April 2020	Acquired through Business Combination (Note 47)	Additions	Capitalisations	Forex adjustment	As at 31 March 2021
Capital work-in-progress	112.44	-	546.29	575.90	-	82.83

Notes to Consolidated Financial Statements (continued)

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

Description	Gross carrying amount						Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2019	Acquisitions through business combination (Note 47)	Additions	Disposals	Forex adjustment	As at 31 March 2020	As at 01 April 2019	Depreciation for the year	Disposals	Forex adjustment	As at 31 March 2020	As at 31 March 2020
Freehold land	639.56	17.19	34.39	-	-	691.14	-	-	-	-	-	691.14
Buildings	1,264.14	34.82	200.96	0.17	6.17	1,505.92	81.37	52.97	0.17	0.64	134.81	1,371.11
Plant and equipments	2,442.00	17.63	300.94	15.12	7.59	2,753.04	345.59	201.93	10.17	(0.17)	537.18	2,215.86
Electrical installations	111.16	2.56	5.34	2.27	-	116.79	27.76	12.33	1.93	-	38.16	78.63
Electronic data processors	41.66	0.09	5.57	2.51	0.03	44.84	20.31	11.80	2.41	0.01	29.71	15.13
Office equipments	29.11	0.25	7.68	0.75	0.05	36.34	11.61	6.46	0.71	0.01	17.37	18.97
Furniture and fixtures	99.09	1.36	17.12	0.45	0.05	117.17	14.16	12.59	0.32	0.01	26.44	90.73
Laboratory equipments	481.21	0.10	70.86	11.31	0.18	541.04	257.54	128.54	11.10	0.09	375.07	165.97
Right-of-use assets (refer note (iv) below)	-	-	135.06	-	1.02	136.08	-	17.27	-	0.02	17.29	118.79
Leasehold Improvements	-	-	16.99	-	-	16.99	-	0.56	-	-	0.56	16.43
Vehicles	61.92	-	4.25	9.57	(0.37)	56.23	9.60	9.48	2.55	(0.16)	16.37	39.86
Total	**5,169.85**	**74.00**	**799.16**	**42.15**	**14.72**	**6,015.58**	**767.94**	**453.93**	**29.36**	**0.45**	**1,192.96**	**4,822.62**

Description	As at 1 April 2019	Acquired through Business Combination (Note 47)	Additions	Capitalisations	Forex adjustment	As at 31 March 2020
Add: Capital work-in-progress	112.20	-	664.34	664.10	-	112.44

Notes to Consolidated Financial Statements (continued)

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

(i) Capital work-in-progress

Capital work-in-progress mainly comprises new plant and machinery, buildings, chilling centres and other assets under erection for the plant.

(ii) Contractual Obligations

Refer note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Carrying amount of property, plant and equipment (included in above) pledged as securities for borrowings as at 31 March 2021 is ₹ 2,882.37 (31 March 2020: ₹ 3,027.56).

(iv) Right-of-use assets

Description	Gross carrying amount						Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2020	Acquisitions through business combination (Note 47)	Additions	Disposals	Forex adjustment	As at 31 March 2021	As at 01 April 2020	Depreciation for the period	Disposals	Forex adjustment	As at 31 March 2021	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
Total	**136.08**	**-**	**40.03**	**3.95**	**0.19**	**172.35**	**17.29**	**20.56**	**0.72**	**0.01**	**37.14**	**135.21**

Description	Gross carrying amount						Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2019	Acquisitions through business combination (Note 47)	Additions	Disposals	Forex adjustment	As at 31 March 2020	As at 01 April 2019	Depreciation for the year	Disposals	Forex adjustment	As at 31 March 2020	As at 31 March 2020
Land	-	-	5.72	-	-	5.72	-	0.64	-	-	0.64	5.08
Buildings	-	-	109.60	-	1.02	110.62	-	12.84	-	0.02	12.86	97.76
Plant and equipments	-	-	19.74	-	-	19.74	-	3.79	-	-	3.79	15.95
Total	**-**	**-**	**135.06**	**-**	**1.02**	**136.08**	**-**	**17.27**	**-**	**0.02**	**17.29**	**118.79**

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Note 5: Goodwill and other intangible assets

Description	Goodwill	Other intangible assets			
		Computer software	Brands	Non-compete arrangements	Total
Gross carrying amount					
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)
As at 31 March 2021	**441.70**	**86.69**	**58.80**	**22.20**	**167.69**
Accumulated amortization					
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
As at 31 March 2021	**-**	**69.10**	**24.37**	**9.21**	**102.68**
Carrying amounts (net) as at 31 March 2021	**441.70**	**17.58**	**34.43**	**12.99**	**65.01**
Gross carrying amount					
As at 01 April 2019	359.37	79.77	58.80	22.20	160.77
Acquisitions through business combination (Note 47)	82.33	-	-	-	-
Additions	-	2.78	-	-	2.78
Disposals	-	(0.66)	-	-	(0.66)
Forex adjustment	-	0.62	-	-	0.62
As at 31 March 2020	**441.70**	**82.51**	**58.80**	**22.20**	**163.51**
Accumulated amortization					
As at 01 April 2019	-	25.92	0.84	0.32	27.08
Amortisation expense	-	21.76	11.78	4.45	37.99
Disposals	-	(0.34)	-	-	(0.34)
Forex adjustment	-	0.12	-	-	0.12
As at 31 March 2020	**-**	**47.46**	**12.62**	**4.77**	**64.85**
Carrying amounts (net) as at 31 March 2020	**441.70**	**35.05**	**46.18**	**17.43**	**98.66**

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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 2021 is ₹ 359.37 (31 March 2020: ₹ 359.37).

The Group has also acquired Bharathi Feedmixing Plant through its subsidiary Orgafeed Private Limited ("Orgafeed") in the previous 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 2021 is ₹ 82.33 (31 March 2020: ₹ 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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Annual growth rate for 5 years (Average)	14.14%	8.51%	8.00%	8.00%
Terminal value growth rate	3.00%	5.00%	3.00%	3.00%
Budgeted EBITDA growth rate (Average)	12.00%	11.00%	14.00%	14.00%
Weighted average cost of capital % (WACC) post tax	13.54%	13.00%	12.00%	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).

Note 6: Biological assets other than bearer plants

	As at 31 March 2021	As at 31 March 2020
Matured biological assets	18.65	19.91
Immatured biological assets	8.32	5.53
	26.97	**25.44**

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Reconciliation of carrying amount:

	As at 31 March 2021		As at 31 March 2020	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
Balance at the beginning of the year	**19.91**	**5.53**	**20.60**	**6.40**
Change in fair value (refer note 30)	2.68	6.53	(7.05)	9.14
Cattles matured during the year	3.64	(3.64)	10.01	(10.01)
Cattles sold/ discarded during the year	(7.58)	(0.11)	(3.65)	-
Balance at the end of the year	**18.65**	**8.32**	**19.91**	**5.53**

As at 31 March 2021, there were 199 cattle (31 March 2020: 192 cattle) as immatured biological assets and 267 cattle (31 March 2020: 318 cattle) as matured biological assets. During the current year, the Group has sold/ discarded 132 cattle (31 March 2020: 55 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 7: Non-current investments

	As at 31 March 2021	As at 31 March 2020
Investment in equity instruments		
Carried at cost less provision for other than temporary impairment		
Unquoted		
Investment in associate*		
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)
	-	**-**
Other investments		
Investment in quoted mutual funds (carried at fair value through profit and loss (FVTPL))	-	3.42
	-	**3.42**

* 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 ₹ 0.07 (31 March 2020: ₹ (3.90)). 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 2021	As at 31 March 2020
Aggregate value of non-current investments - unquoted	38.67	38.67
Aggregate book/ market value of non-current investments - quoted	-	3.42
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 45.

Note 8: Non-current loans

Unsecured, considered good		
Security deposits	98.68	93.73
Unsecured, credit impaired		
Amounts receivable from vendors	5.00	5.00
Less: Allowance for doubtful receivables	(5.00)	(5.00)
	98.68	**93.73**

Note 9: Other non-current assets

Capital advances		
Unsecured, considered good	9.92	8.81
Advances other than capital advances (Unsecured, considered good)		
Prepaid expenses	1.64	-
Salary advances to key managerial person**	-	2.49
Taxes paid under protest	0.10	0.10
	11.66	**11.40**

** Includes outstanding balances as disclosed under note 41 (iii)

Note 10: Inventories*

Raw materials and packing materials	383.78	783.16
Work-in-progress	235.30	134.29
Finished goods**	266.44	212.76
Stock-in-trade	17.17	17.09
Stores and spares	59.03	54.40
	961.72	**1,201.70**
Carrying amount of inventories (included in above) pledged as securities for borrowings	853.45	1,110.20

*refer note 3(f) for mode of valuation for inventories.

**include goods-in-transit amounting to ₹ 61.04 (31 March 2020: ₹ 49.07).

The write down of inventories to net realisable value during the year amounted to Nil (31 March 2020: ₹ 0.90). 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 2021	As at 31 March 2020

Note 11: Current investments

Investment in quoted mutual funds (carried at FVTPL)	604.28	115.22
	604.28	**115.22**
Aggregate book/ market value of current investments - quoted	604.28	115.22
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 45.

Note 12: Trade receivables

Secured	8.08	8.87
Unsecured, considered good	40.80	63.15
Unsecured, credit impaired	6.91	1.93
	55.79	**73.96**
Less: Allowance for doubtful debts	(6.91)	(1.93)
	48.88	**72.03**
Carrying amount of receivables (included in above) pledged as securities for borrowings.	48.77	36.70

The Group's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 45.

Note 13: Cash and bank balances

(a) Cash and cash equivalents:		
Cash on hand	17.40	20.60
Balances with banks		
- in current accounts	401.18	255.19
- in deposit accounts (with original maturity of less than three months)	822.86	410.94
	1,241.44	**686.73**
(b) Other bank balances*	1,003.04	0.34
	1,003.04	**0.34**

* It includes bank deposits held against bank guarantees amounting to ₹ Nil (31 March 2020: ₹ 0.34).

Note 14: Current loans

Unsecured, considered good		
Amounts receivable from vendors	34.66	36.87
Deposits	0.75	0.74
	35.41	**37.61**

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020

Note 15: Other financial assets

Non-Current		
*Unsecured, considered good**		
Bank Deposits maturing after 12 months from the reporting date	0.43	-
	0.43	**-**

* Represents margin money deposits against bank guarantees.

Current

Unsecured, considered good		
Interest accrued	3.48	6.34
Amount paid under protest	0.14	0.14
	3.62	**6.48**

Note 16: Other current assets

Advances other than capital advances:

Unsecured, considered good:		
Salary advances to employees	3.04	3.94
Salary advances to key managerial person**	1.44	0.94
Prepaid expenses	22.35	30.54
Advance to suppliers	11.83	7.99
Share issue expenses (refer note (i) below)	44.55	-
Other advances**	20.56	12.65
Balance with government authorities	16.84	52.74
Unsecured, credit impaired:		
Other advances**	41.50	44.80
Less : Allowance for bad and doubtful advances	(41.42)	(44.80)
	120.69	**108.80**

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 41 (iii)

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Note 17: Equity share capital

	As at 31 March 2021	As at 31 March 2020
Authorised		
75,000,000 (31 March 2020: 75,000,000) equity shares of ₹ 10 each	750.00	750.00
	750.00	**750.00**
Issued, subscribed and paid-up share capital		
58,324,511 (31 March 2020: 55,671,991) equity shares of ₹ 10 each, fully paid-up	583.25	556.72
	583.25	**556.72**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	55,671,991	556.72	55,671,991	556.72
Issued during the year	2,652,520	26.53	-	-
Outstanding at the end of the year	**58,324,511**	**583.25**	**55,671,991**	**556.72**

(b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares as at 31 March 2021 having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, TPG Dodla Dairy Holdings Pte. Ltd. ("the Investor") shall be paid from the distributable proceeds, an amount (hereafter referred to as the "investor liquidation amount") which is the higher of:

(i) an amount equal to the investment amount, plus any accrued or declared but unpaid dividends on its investor shares; and

(ii) such amount as is equivalent to it's proportionate share of the distributable proceeds, based on the Investor's then existing shareholding percentage, provided that, in the event that the distributable proceeds are less than the investor liquidation amount, the investor will have the right to receive (and the Promoters and the Group shall procure that the Investor receives) the entire distributable proceeds.

After the payment in full is made to the Investor, as set forth in above clause, the balance of the distributable proceeds, if any, shall be distributed to all shareholders, excluding the Investor pro rata in proportion to their inter se shareholding held in the Company.

However, with effect from the date of the listing of the equity shares of the Company on a recognised stock exchange in India pursuant to an initial public offering of the equity shares of the Company, all the equity shareholders shall be entitled to identical rights with respect to the liquidation i.e. the equity shareholders will be eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

(c) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 10 each, fully paid-up				
Mr. D. Sunil Reddy	8,269,038	14.18%	4,011,519	7.21%
Mrs. D. Deepa Reddy	7,433,958	12.75%	845,517	1.52%
Dodla Family Trust	16,144,877	27.68%	16,144,877	29.00%
Sunil Reddy (HUF)	-	0.00%	10,845,960	19.48%
Mylktree Consultants LLP	7,000,000	12.00%	7,000,000	12.57%
TPG Dodla Dairy Holdings Pte. Ltd.	15,031,434	25.77%	15,031,434	27.00%

(d) 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.

(e) 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 2021	As at 31 March 2020
Options outstanding at the beginning of the year	835,074	835,074
Options granted during the year	-	-
Options exercised during the year	-	-
Options exercisable at the end of the year	**835,074**	**835,074**

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 33.

Note 18: 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**
Balance as at 01 April 2019	**12.00**	**568.28**	**3.30**	**(50.62)**	**18.94**	**2,959.77**	**3,511.67**
Additions:							
Exchange differences in translating financial statements of foreign operations	-	-	-	52.12	-	-	52.12
Dividend	-	-	-	-	-	(249.33)	(249.33)
Dividend distribution tax	-	-	-	-	-	(40.17)	(40.17)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	(2.38)	(2.38)
Employee share based payment expense	-	-	-	-	7.62		7.62
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	498.71	498.71
Transfer to Debenture redemption reserve	-	-	12.86	-	-	(12.86)	-
Balance as at 31 March 2020	**12.00**	**568.28**	**16.16**	**1.50**	**26.56**	**3,153.74**	**3,778.24**

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
Balance as at 01 April 2020	**12.00**	**568.28**	**16.16**	**1.50**	**26.56**	**3,153.74**	**3,778.24**
Additions:							
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)	-
Balance as at 31 March 2021	**12.00**	**1,523.72**	**50.77**	**(2.25)**	**29.98**	**4,382.23**	**5,996.45**

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 17(e)).

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Remeasurement of defined benefit plans (included in retained earnings)

Remeasurements of defined benefit plans represents the following as per Ind AS 19, employee benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

	As at 31 March 2021	As at 31 March 2020
Note 19: Non-current borrowings		
Secured		
Debentures		
507,705 (31 March 2020: 550,000) Redeemable non-convertible debentures of ₹ 1,000 each, fully paid-up	418.56	501.23
Term loans		
- from banks (refer below)	111.11	366.02
	529.67	**867.25**

Terms of repayment of Debentures taken by Holding Company:

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. The debentures are getting matured by 2026-27, outstanding amount (including current maturities) as at 31st March 2021 is ₹ 503.15 Million (31 March 2020 is ₹ 543.53).

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 as on 31 March 2021. 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 2021 is ₹ 12.19 Million (31 March 2020 is ₹ 28.44 Million).

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 as on 31 March 2021. 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 2021 is ₹ 18.75 Million (31 March 2020 is ₹ 43.75 Million).

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

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 as on 31 March 2021. 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 31st March 2021 is ₹ 4.69 Million (31 March 2020 ₹ 10.94 Million).

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 as on 31 March 2021. 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 guarantee furnished by the director of the Company, Mr. Sunil Reddy Outstanding amount (including current maturities) as at 31 March 2021 is ₹ 11.25 Million (31 March 2020 ₹ 26.25 Million).

e) Term loan of ₹ 70 was taken from HDFC Bank during the financial year 2016-2017 which carries interest rate equal to MCLR plus 1.10% per annum i.e., 8.55% per annum as on 31 March 2021. It is repayable in 16 equal quarterly installments of ₹ 4.38 each commencing from April 2017. 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 2021 is Nil (31 March 2020 ₹ 17.50 Million).

f) 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., 8.00% per annum as on 31 March 2021. 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 Chendurthi 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 a 31 March 2021 is ₹ 166.67 Million (31 March 2020 ₹ 222.22 Million).

g) 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., 8.80% per annum as on 31 March 2021. 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 2021 is ₹ 152.47 Million (31 March 2020 ₹ 207.92 Million).

Aggregate amount of loans (including current maturities) guaranteed by the directors of the Company outstanding as at 31 March 2021 is ₹ 869.16 Million (31 March 2020 is ₹ 1100.54 Million).

The Company has not complied with the requirements of maintenance of current ratio (calculated as current assets to current liabilities) and prospective debt service coverage ratio (calculated as EBITDA to outstanding debt) associated with redeemable non convertible debentures issued to IFC for the year ended 31 March 2020. Subsequent to the year end, i.e., on 02 June 2020, IFC has waived the compliance with the current ratio and prospective debt service coverage ratio for the financial year ended 31 March 2020.

The Company has not complied with the requirement of maintenance of interest coverage service ratio (calculated as earnings before interest and tax to interest cost) associated with a term loan obtained from HDFC Bank for the year ended 31 March 2020. Subsequent to the year end, i.e., on 09 July 2020, HDFC has waived the non-compliance with the interest coverage service ratio for the financial year ended 31 March 2020.

Information about the Group's exposure to interest rate and liquidity risks is included in note 45.

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Note 20: Deferred tax liabilities, net

The balance comprises temporary differences attributable to:

	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities		
On account of property, plant and equipment (PPE), Goodwill and other intangible assets	599.89	460.32
Fair value changes in mutual funds	1.84	6.35
Others	8.94	5.60
Deferred tax assets		
Provision for employee benefits	(64.98)	(54.11)
Lease liability	(40.19)	(33.04)
Provision for impairment of receivables, advances and other assets, net	(17.54)	(19.99)
Others	(34.00)	(0.21)
Net deferred tax liability	**453.96**	**364.92**
Deferred tax assets	(0.74)	(0.21)
Deferred tax liabilities	454.70	365.13
Net deferred tax liability	**453.96**	**364.92**

Also refer note 37, 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
Balance as at 01 April 2019	**329.15**	**3.09**	**(40.32)**	**(18.35)**	**(16.02)**	**257.55**
Charged/ (credited):						-
- to profit or loss	131.17	3.26	(12.51)	(1.64)	(11.63)	108.65
- to other comprehensive income	-	-	(1.28)	-	-	(1.28)
Balance as at 31 March 2020	**460.32**	**6.35**	**(54.11)**	**(19.99)**	**(27.65)**	**364.92**

	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
Balance as at 01 April 2020	**460.32**	**6.35**	**(54.11)**	**(19.99)**	**(27.65)**	**364.92**
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
Balance as at 31 March 2021	**599.89**	**1.84**	**(64.98)**	**(17.54)**	**(65.25)**	**453.96**

Notes to Consolidated Financial Statements (continued)

(All amount are in rupees millions, unless otherwise stated)

Note 21: Government grants

	As at 31 March 2021	As at 31 March 2020
Non-current	25.55	28.38
Current	2.91	2.96
	28.46	**31.34**

Movement of government grants:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	31.34	34.30
Add: Received during the year	-	-
Less: Released to statement of profit and loss (refer note 30)	(2.88)	(2.96)
Balance at the end of the year	**28.46**	**31.34**

Note 22: Non-current provisions

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Compensated absences	73.13	76.28
Gratuity (refer note (ii) below)	14.42	18.63
	87.55	**94.91**

(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 33).

(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 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 2021			As at 31 March 2020		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance (A)	**95.71**	**(73.74)**	**21.97**	**79.00**	**(69.21)**	**9.79**
Current service cost	15.31	-	15.31	14.84	-	14.84
Interest cost	5.74	-	5.74	5.86	-	5.86
Expected returns	-	(4.42)	(4.42)	-	(5.13)	(5.13)
Total amount recognised in profit or loss (B)	**21.05**	**(4.42)**	**16.63**	**20.70**	**(5.13)**	**15.57**
Remeasurements						
Gain from change in demographic assumptions	(11.26)	-	(11.26)	(6.63)	-	(6.63)
Loss from change in financial assumptions	5.20	-	5.20	10.28	-	10.28
Experience losses/ (gains)	0.87	(0.04)	0.83	(0.78)	0.79	0.01
Total amount recognised in other comprehensive income (C)	**(5.19)**	**(0.04)**	**(5.23)**	**2.87**	**0.79**	**3.66**
Contributions (D)	-	(14.59)	(14.59)	-	(7.05)	(7.05)
Benefits paid (E)	(8.87)	8.87	-	(6.86)	6.86	-
Acquisition Adjustment (F)	-	-	-	-	-	-
Closing balance (A+B+C+D+E+F)	**102.70**	**(83.92)**	**18.78**	**95.71**	**(73.74)**	**21.97**

b) **Significant estimates: actuarial assumptions**

The significant actuarial assumptions for defined benefit obligation are as follows:

	As at 31 March 2021	As at 31 March 2020
Discount rate	5.25%	6.00%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	24.72%	16.00%
Retirement age	58 years	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.

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 2021		As at 31 March 2020	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	98.61	107.15	90.12	101.99
Salary escalation rate (1% movement)	106.85	98.80	101.60	90.34
Employee attrition rate (1% movement)	94.86	122.21	87.86	112.92

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 period) 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.

d) The major categories of plan assets are as follows

	As at 31 March 2021	As at 31 March 2020
Funds managed by Life Insurance Corporation of India	83.92	73.74
Total	**83.92**	**73.74**

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 the Standalone 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 2021	As at 31 March 2020
1st following year	24.78	14.73
2nd following year	18.54	12.70
3rd following year	16.00	11.44
4th following year	13.36	10.86
5th following year	11.64	10.04
Thereafter	46.67	88.74

g) The Company expects to contribute a sum of ₹ 31.73 to the plan for the next annual accounting period (31 March 2020: ₹ 36.99).

h) The weighted average duration of the defined benefit obligation at the end of the year is 4 years (31 March 2020: 6 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 23: Current borrowings

	As at 31 March 2021	As at 31 March 2020
Loans repayable on demand from banks		
Secured		
Working capital demand loans	-	400.00
	-	**400.00**

Terms of repayment of current borrowings from banks taken by the Holding Company:

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 hypothcation of the Company's entire stocks of inventory and such other moveables including book debts, bills whether documentory 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 on the 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 8.03% to 9.00% per annum (31 March 2020: 9.05% per annum) and working capital demand loan carries an interest rate of Nil (31 March 2020: 7.95% to 8.70% per annum).

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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 5.50% to 11.25% per annum (31 March 2020: 7.70% to 9.00% per annum).

iii) Kotak Mahindra Bank: The Company has taken working capital demand loan facility from Kotak Mahindra Bank, secured by first pari-passu 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 movable 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 Rs. 26.14 Crores (Market Value) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy. Cash credit carried an interest rate of 9.05% per annum (31 March 2020: Nil) and working capital demand loan carries an interest rate of 7.40% to 8.00% per annum (31 March 2020: 7.80% to 8.35% per annum).

iv) HDFC Bank: The Company has taken cash credit and working capital demand loan facility from HDFC Bank. All these facilities are secured by pari-passu first charge on entire current assets of the Company, present and future. Second 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 9.80% per annum. (31 March 2020: 9.50% to 10.00% per annum) and working capital demand loan carries an interest rate of Nil (31 March 2020: 8.00% to 9.00% per annum).

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 on fixed assets (movable and 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 7.00% to 7.85% per annum (31 March 2020: 7.00% to 8.00% per annum).

Aggregate amount of loans guaranteed by the directors of the Company outstanding as at 31 March 2021 is Nil (31 March 2020 is ₹ 400.00 millions).

Information about the Group's exposure to interest rate and liquidity risks is included in note 45.

Note 24: Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note below)	13.49	7.91
Total outstanding dues of creditors other than micro enterprises and small enterprises **	851.22	774.25
	864.71	**782.16**

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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

		As at 31 March 2021	As at 31 March 2020
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year;		
	- Principal (including ₹ 1.06 shown under capital creditors (31 March 2020: ₹ Nil))	14.55	7.91
	- 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 deductable expenditure under Section 23 of the MSMED Act.	-	-
		14.55	**7.91**

** Includes a part of outstanding balances as disclosed under note 41 (iii)

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 45.

Note 25: Other financial liabilities

Current maturities of long term debt from banks (refer note 19)	339.49	233.30
Interest accrued but not due on borrowings	2.54	4.14
Capital creditors	43.55	28.39
Dividend payable	-	67.32
Employee payables**	118.82	111.48
Security deposits	220.51	166.70
	724.91	**611.33**

** Includes a part of outstanding balances as disclosed under note 41 (iii).

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 45.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 26: Current provisions

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Compensated absences	27.95	17.88
Gratuity (refer note 22)	4.50	3.34
Provision for litigations (refer note below)	79.35	6.74
	111.80	**27.96**

Note:

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance
Provision for litigations				
- For the year ended 31 March 2021	**6.74**	72.61	-	**79.35**
- For the year ended 31 March 2020	**6.74**	-	-	**6.74**

Provision for litigations represents provision towards potential liability against an indirect tax case based on Group's internal assessment.

Note 27: Income tax assets and current tax liabilities

Current tax liability	158.78	220.75
Dividend distribution tax payable	-	40.17
Current tax asset	(19.60)	(87.58)
	139.18	**173.34**

Also refer note 37, for tax expense.

Note 28: Other current liabilities

Advance from customers	39.14	33.97
Statutory dues	24.84	18.95
Other liabilities	1.20	0.09
	65.18	**53.01**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 29: Revenue from operations		
Sale of goods		
- Finished goods	18,637.45	20,056.12
- Traded goods	758.11	1,305.52
Sale of services		
- Conversion service charges	35.60	24.07
Other operating revenue		
- Sale of scrap	8.90	8.02
	19,440.06	**21,393.73**

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

Contract price	19,787.99	21,868.89
Less: Discounts and incentives	(347.93)	(475.16)
	19,440.06	**21,393.73**

Note 30: Other income

Interest income		
- on deposits	28.17	0.14
- on others	2.36	6.73
Amortisation of government grants (refer note (i) below and note 21)	2.88	2.96
Changes in fair value of biological assets (refer note 6)	9.22	2.08
Fair value gain on financial assets measured at fair value through profit and loss	3.43	9.79
Profit on sale of investments in mutual funds, net	0.57	23.68
Other non-operating income	17.05	17.38
	63.68	**62.76**

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 2021	For the year ended 31 March 2020
Note 31: Cost of materials consumed		
Inventory of materials at the beginning of the year	783.16	266.31
Add: Purchases	13,262.62	16,346.35
Less: Inventory of materials at the end of the year	383.78	783.16
Foreign currency translation adjustment	-	1.27
	13,662.00	**15,830.77**

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

a)	**Finished goods**		
	Opening stock	212.76	712.88
	Closing stock	(266.44)	(212.76)
		(53.68)	**500.12**
b)	**Work-in-progress**		
	Opening stock	134.29	211.14
	Closing stock	(235.30)	(134.29)
		(101.01)	**76.85**
c)	**Stock-in-trade**		
	Opening stock	17.09	13.74
	Closing stock	(17.17)	(17.09)
		(0.08)	**(3.35)**
d)	Foreign currency translation adjustment	2.09	1.39
		(152.68)	**575.01**

Note 33: Employee benefits expense

Salaries, wages and bonus	808.76	814.58
Employee share based payment expenses (refer notes 17(e) and 18)	3.42	7.62
Contribution to provident and other funds	55.62	58.58
Expenses related to post-employment defined benefit plans (refer note 22)	16.92	15.57
Staff welfare expense	13.27	14.80
	897.99	**911.15**

Note 34: Finance costs

Interest expense on loan from banks	106.85	142.30
Other interest costs	12.07	12.17
Other borrowing costs	-	6.92
	118.92	**161.39**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 35: Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 4)	469.67	453.93
Amortisation of intangible assets (refer note 5)	37.61	37.99
	507.27	**491.92**
Note 36: Other expenses		
Power and fuel	361.38	375.42
Consumption of stores and spare parts	192.20	181.11
Milk procurement expenses	16.08	29.47
Freight inward and handling	580.18	427.72
Repairs and maintenance:		
- building	13.65	19.78
- machinery	12.86	17.18
- other assets	11.56	4.73
Lease rent	49.05	49.23
Rates and taxes	93.98	22.50
Communication	10.85	12.03
Printing and stationery	13.24	15.21
Travelling and conveyance	51.41	76.53
Vehicle hire charges	11.37	11.74
Bank charges	9.22	8.69
Legal and professional fees (refer note (i) below)	74.78	77.41
Security expenses	43.99	42.30
Bad debts written off	1.69	0.49
Provision for impairment of receivables	5.08	1.29
Impairment loss on doubtful advances	(3.38)	(2.70)
Insurance	24.17	20.18
Loss on sale/ retirement of property, plant and equipment, net	3.80	10.23
Loss on sale/ discard of biological assets, net	4.31	1.44
Corporate social responsibility (refer note 41(ii))	13.35	2.00
Carriage outwards	901.22	1,038.79
Loss on account of foreign exchange fluctuation, net	10.51	13.23
Share issue expenses written off	-	72.73
Advertisement	49.49	77.41
Miscellaneous	52.04	61.40
	2,608.08	**2,667.54**

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 tax)*

	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit services	4.65	4.30
Certification services	0.17	0.17
Other auditors	1.08	1.23
Out-of-pocket expenses	0.17	0.22
	6.07	**5.92**

*During the year ended 31 March 2021, the Group has incurred ₹ 12.63 (31 March 2020: ₹ 1.00) towards service received from the auditors of the Holding Company in relation to the proposed 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 16).

Note 37: Income tax expense

(a) Amounts recognised in profit or loss		
Current tax	515.25	211.35
Deferred tax	87.21	108.65
	602.46	**320.00**
(b) Amounts recognised in other comprehensive income		
Deferred tax (refer note 20)	1.83	(1.28)
	1.83	**(1.28)**

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2021		For the year ended 31 March 2020	
Profit before tax		**1,862.16**		**818.71**
Tax using the Group's domestic tax rate	34.94%	650.71	34.94%	286.09
Tax effect of:				
Tax exempt income	-5.12%	(95.34)	-1.34%	(10.93)
Lower tax rate in the subsidiary	-3.11%	(57.94)	0.88%	7.20
Adjustment for items taxed at a lower rate	-0.08%	(1.55)	-1.18%	(9.65)
Others	5.82%	108.41	5.62%	46.01
	32.45%	**604.29**	**38.92%**	**318.72**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 38: Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
i) Claims against the Group not acknowledged as debts*:		
Income-tax matters	0.99	0.99
Indirect tax matters related to assessment of Central Sales Tax and Customs on import of machinery	81.24	113.80

*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 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 39: Commitments

Capital commitments:

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	28.89	170.37

Note 40: Earnings per share ('EPS')

	For the year ended 31 March 2021	For the year ended 31 March 2020
Earnings		
Profit attributable to equity shareholders (A)	1,259.70	498.71
Shares		
Weighted average number of equity shares outstanding during the year (B)	56,042,617	55,671,991
Effect of potential equity shares on employee stock options outstanding	360,576	-
Weighted average number of potential equity shares outstanding during the year for the purpose of computing Diluted Earnings Per Share (C)	56,403,193	55,671,991
Basic earnings per share of face value of ₹10 (A/B)	22.48	8.96
Diluted earnings per share of face value of ₹10 (A/C)	22.33	8.96

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 41: 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
Entity exercising significant influence over the Company	TPG Dodla Dairy Holdings Pte. Ltd.
Associate	Global VetMed Concepts India Private Limited ('GVC')
Key management personnel ('KMP')	Mr. Sunil Reddy, Managing Director Mr. Sesha 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. Ponnavolu Divya, Independent Director
	Mr. Tallam Puranam Raman, Independent Director Mr. Akshay Tanna, Nominee Director
Relatives of KMP	Mr. Sesha 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
Enterprise over which KMP have significant influence	Dodla Dairy, Vinjimuru
	D Soft India Private Limited
	Surekha Milk Chilling Centre
	Tropical Bovine Genetics Private Limited
	Hanslot Pile Foundation
	Mylktree Consultants LLP
	Dodla Family Trust
	Dodla Sunil Reddy HUF
	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 2021	For the year ended 31 March 2020
Lease rent paid		
- Dodla Dairy, Vinjimuru	1.20	1.20
- Surekha Milk Chilling Centre	0.96	0.92
- Hanslot Pile Foundation	0.30	0.30
Rent paid		
- Dodla Nutri Feeds LLP	0.19	1.14
Software maintenance expenses		
- D Soft India Private Limited	0.60	0.60
Remuneration paid to Key Managerial Personnel (refer note b)		
- Short-term employee benefits	71.44	55.65
- Post employment benefits	3.10	3.00
Sitting fees		
- Mr. B.V.K. Reddy	0.81	1.86
- Mr. Kishore Hiranand Mirchandani	0.30	0.60
- Mr. Rampraveen Swaminathan	1.10	0.80
- Ms. Ponnavolu Divya	0.50	0.50
- Mr. Tallam Puranam Raman	0.50	0.30
Purchase of raw material		
- GVC	9.82	10.89
Expenditure incurred on behalf of		
- GVC	6.44	8.19
Consultancy expense		
- Mr. Sesha Reddy	3.68	3.60
- Ms. Shilpa Reddy	0.90	0.85
Purchase of goods		
- Tropical Bovine Genetics Private Limited	1.39	1.54
Interim dividend paid		
- Dodla Family Trust	-	72.31
- TPG Dodla Dairy Holdings Pte. Ltd.	-	67.32
- Dodla Sunil Reddy HUF	-	48.57
- Mr. Sunil Reddy	-	17.97
- Mrs. Deepa Reddy	-	3.79
- Mr. B. V. K. Reddy	-	3.04
- Mrs. Surekha Reddy	-	2.49
- Mr. Sesha Reddy	-	2.49
- Ms. Girija Reddy*	-	0.00
- Mr. Subba Reddy*	-	0.00
- Mylktree Consultants LLP	-	31.35
Corporate social responsibility expenditure incurred		
- Dodla Foundation	12.15	2.00

* Below rounding off norm adopted by the Group. The actual amounts in ₹ are:

Interim dividend paid to Ms. Girija Reddy - ₹ 76

Interim dividend paid to Mr. Subba Reddy - ₹ 76

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

(iii) Balances with related parties:

Particulars	As at 31 March 2021	As at 31 March 2020
Other current and non-current assets		
- GVC – Other advances	41.40	44.80
- GVC – Provision for doubtful advances	(41.40)	(44.80)
- Mr. B.V.K. Reddy – Advance given against salary, net	1.31	0.61
- Mr. A. Madhusudhana Reddy – Advance given against salary, net	0.13	0.33
Other financial liabilities and trade payables		
- Ms. Shilpa Reddy – Consultancy fees payable	0.08	0.07
- Mr. Sunil Reddy – Remuneration payable, net	0.84	0.60
- Mr. Sesha Reddy – Consultancy fees payable	0.33	0.27
- Mr. B.V.K Reddy – Remuneration payable, net	-	0.96
- Mr. A. Madhusudhana Reddy – Remuneration payable, net	0.14	0.15
- Mr. Hemanth Kundavaram – Remuneration payable	-	0.35
- Mr. Anjaneyulu Ganji – Remuneration payable, net	0.46	-
- Tropical Bovine Genetics Private Limited	0.25	0.34
- Surekha Milk Chilling Centre	0.08	0.07
- D Soft India Private Limited	0.05	0.05
- Dodla Dairy, Vinjimuru	0.10	0.10
- Dodla Nutri Feeds LLP	-	0.15
- Hanslot Pile Foundation	0.02	0.02

Notes:

a. The borrowings of the Group are secured by personal guarantees given by the director of the Company, Mr. Sunil Reddy as detailed in note 19 and 23.

b. 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 ₹ 3.42 (31 March 2020 - ₹ 7.62) is also not included in the remuneration disclosed above.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 42: 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 2021 and 31 March 2020.

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 2021	For the year ended 31 March 2020
India	18,371.50	19,876.16
Outside India	1,068.56	1,517.57
Total	**19,440.06**	**21,393.73**

(ii) Non-current assets

	As at 31 March 2021	As at 31 March 2020
India	5,344.54	5,134.13
Outside India	358.08	562.86
Total	**5,702.62**	**5,696.99**

Note 43: Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 44: Details of the loan given under Section 186 of the Companies Act, 2013

Pursuant to incorporation of a subsidiary Orgafeed Private Limited, the Board has approved an unsecured loan to Orgafeed Private Limited, carrying an interest rate of 9% p.a. The repayment of the loan will commence from the financial year 2020-21. The loan was given for the general business purpose.

Movement in the balance is as below:

Particulars	Amount
As at 01 April 2019	**-**
Given during the financial year 2019-20	198.01
Repaid during the financial year 2019-20	-
As at 31 March 2020	**198.01**
Given during the financial year 2020-21	10.00
Repaid during the financial year 2020-21	(21.00)
As at 31 March 2021	**187.01**

Note 45: Financial instruments - fair values and risk management

Accounting classification and fair values

Financial instruments by category	As at 31 March 2021		As at 31 March 2020		Fair value level
	Amortised cost	FVTPL	Amortised cost	FVTPL	
Financial assets					
Investments in mutual funds (refer note (a) below)	-	604.28	-	118.64	Level 1
Trade receivables	48.88	-	72.03	-	-
Cash and cash equivalents	1,241.44	-	686.73	-	-
Bank balances other than above	1,003.04	-	0.34	-	-
Non-current loans receivable	98.68	-	93.73	-	-
Current loans receivable	35.41	-	37.61	-	-
Other non-current financial assets	0.43	-	-	-	-
Other current financial assets	3.62	-	6.48	-	-
Total financial assets	**2,431.50**	**604.28**	**896.92**	**118.64**	
Financial liabilities					
Borrowings (current and non-current)	869.16	-	1,500.55	-	-
Lease liabilities	116.99	-	97.14	-	-
Trade payables	864.71	-	788.90	-	-
Interest accrued but not due on borrowings	2.54	-	4.14	-	-
Capital creditors	43.55	-	28.39	-	-
Employee payables	118.82	-	111.48	-	-
Dividend payable	-	-	67.32	-	-
Security deposits	220.51	-	166.70	-	-
Total financial liabilities	**2,236.28**	-	**2,764.62**	**-**	**-**

Notes to the Standalone 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. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

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	Amount
Expected credit loss on 01 April 2019	**(0.64)**
Changes in loss allowance	(1.29)
Expected credit loss on 31 March 2020	**(1.93)**
Changes in loss allowance	(4.98)
Expected credit loss on 31 March 2021	**(6.91)**

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 2021 and 31 March 2020. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	As at 31 March 2021				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
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	-	-
	2,236.28	**2,446.54**	**1,620.49**	**244.73**	**581.32**

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Particulars	As at 31 March 2020				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	788.90	780.99	780.99	-	-
Borrowings	1,500.55	1,708.92	684.34	384.35	640.23
Lease Liabilities	97.14	137.77	22.16	19.50	96.11
Other financial liabilities	378.03	378.03	378.03	-	-
	2,764.62	**3,005.71**	**1,865.52**	**403.85**	**736.34**

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 2021	As at 31 March 2020
Variable rate borrowings	366.01	957.01
Total	**366.01**	**957.01**

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 2021	As at 31 March 2020
Interest rate - increases by 50 basis points	(1.83)	(4.79)
Interest rate - decreases by 50 basis points	1.83	4.79

Notes to the Standalone 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 2021		As at 31 March 2020	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Capital creditors	USD	24,679	1.81	14,745	1.11
Bank balance	USD	648	0.05	995	0.07
Fixed deposit	USD	3,018,379	220.37		
Trade and other receivables	USD	471,469	34.50	728,544	54.91
Trade and other payables	USD	513,109	37.54	908,091	68.44
	EUR	-	-	4,000	0.33
	Ksh	-	-	354,536	0.25

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 2021	As at 31 March 2020
Foreign exchange rate - increases by 5%	10.87	(0.76)
Foreign exchange rate - decreases by 5%	(10.87)	0.76

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

Note 46: Capital management

(a) Risk management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For this purpose, total debt is defined as total borrowings (including current maturities of long-term borrowings and short-term borrowings). Total equity comprises of issued share capital and all other equity reserves.

The Group monitors capital on the basis of the following:

	As at 31 March 2021	As at 31 March 2020
Total debt	869.16	1,500.55
Total equity	6,579.70	4,334.96
Total debt to equity ratio	**0.13**	**0.35**

(b) Dividends

During the period, no interim dividend has been declared by the Company (31 March 2020: 249.33 (interim divided of ₹ 5.2 per share)).

Note 47: Business combination

Acquisition of Bharathi Feed Mixing Plant during the previous year:

During the previous year, the Company has acquired assets under a business transfer agreement from Bharathi Feed Mixing Plant. Refer below for the summary of acquisition.

a.	Summary of acquisition	
	Name and description of the Acquiree	Bharathi Feed Mixing Plant, located in Kadapa District, Andhra Pradesh
	Nature of business	Manufacturing of Cattle Feed
	Date of control	28-Aug-19
	Type of Acquisition	Slump sale of assets
	Primary reason for business combination	The acquisition was made to internally increase the feed procurement capacity of Dodla Dairy Limited majorly for captive consumption.

For the year ended 31 March 2020, Orgafeed Private Limited (Erstwhile Bharathi Feed Mixing Plant) contributed the revenue of ₹ 97.72 and a loss of ₹ 15.21 to the Groups's results. The acquisition took place in August 2019 and management estimates that necessary profit shall be available from the FY 2020-21 onwards. Management estimates that if the acquisition had occurred on 1 April 2019, total revenue and total loss for the year would have been ₹ 146.58 and ₹ 22.82 respectively. Management has determined these amount on the basis of the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2019.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

b. Details of purchase consideration, net assets acquired and goodwill

(i) Purchase consideration

Particulars	Amount
Purchase consideration	**160.00**

(ii) Identifiable assets and liabilities acquired

The following table summaries the recognised amounts of assets and liabilities acquired at the date of acquisition

Particulars	Amount
Property, plant and equipment	74.00
Trade receivables	1.23
Inventory	26.15
Trade payables	(23.71)

(iii) Goodwill

Particulars	Amount
Consideration transferred	160.00
Less: Net identifiable assets acquired	77.67
Goodwill/(Capital Reserve)	82.33

The goodwill on acquisition can be attributable to the available processing infrastructure, running operations, profitability and opportunities to expand the market in the present area of operations & contiguous areas.

c. Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	*Sales comparision approach and cost approach:* The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Notes to the Standalone 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 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
Parent								
Dodla Dairy Limited	91.85%	6,042.52	86.04%	1,083.94	-981.69%	3.40	86.34%	1,087.34
Subsidiaries								
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)
Non-controlling interest	-	-	-	-	-	-	-	-
Associate								
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)
Total	**100.00%**	**6,579.70**	**100.00%**	**1,259.70**	**100.00%**	**(0.35)**	**100.00%**	**1,259.35**

*The group has not recognised any share of losses of the associate as it exceeds the carrying amount of the investment.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

As at and for the year ended 31 March 2020

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
Parent								
Dodla Dairy Limited	91.58%	3,969.81	57.09%	284.72	-4.77%	(2.38)	51.48%	282.34
Subsidiaries								
Dodla Holdings Pte Limited	10.07%	436.55	1.07%	5.35	-	-	0.98%	5.35
Lakeside Dairy Limited	8.54%	370.24	54.24%	270.50	-	-	49.32%	270.50
Dodla Dairy Kenya Limited	0.02%	0.69	2.02%	10.05	-	-	1.83%	10.05
Orgafeed Private Limited	0.34%	14.79	-3.05%	(15.21)	-	-	-2.77%	(15.21)
Non-controlling interest	-	-	-	-	-	-	-	-
Associate								
Global VetMed Concepts Private Limited*	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-10.54%	(457.12)	-11.37%	(56.69)	104.77%	52.12	-0.83%	(4.58)
Total	**100.00%**	**4,334.96**	**100.00%**	**498.71**	**100.00%**	**49.74**	**100.00%**	**548.45**

*The group has not recognised any share of losses of the associate as it exceeds the carrying amount of the investment.

Note 49: During the year ended 31 March 2021, no material foreseeable losses (31 March 2020: Nil) was incurred for any long-term contract including derivatives.

Note 50: Leases - In the capacity of lessee

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard/amendments are applicable to the Group with effect from 01 April 2019.

The Company has applied Ind AS 116 using the modified retrospective method and elected to measure the Right of-Use assets at an amount equal to the lease liability as at the date of initial application, on the date of initial application.

Under Ind AS 116

The Group has elected the practical expedient and therefore is permitted not to re-assess whether existing contracts contains a lease as defined under Ind AS 116 at the initial application date.

On transition to Ind AS 116, the Group has recognised right-of-use assets amounting to ₹ 135.06 and lease liabilities amounting to ₹ 135.06. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 01 April 2019. The rate applied ranges from 9.00% p.a. to 9.62% p.a.

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.

Notes to the Standalone Financial Statements (Continued)

(All amount are in rupees millions, unless otherwise stated)

The following tables summarise the movement in lease liabilities:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	97.14	-
Transfer on account of adoption of Ind AS 116	-	107.94
Additions	40.03	-
Interest expenses	8.57	8.66
Deletions	(3.60)	-
Payment of lease liabilities	(25.15)	(19.46)
Balance at the end	**116.99**	**97.14**

	As at 31 March 2021	As at 31 March 2020
Maturity analysis – contractual undiscounted cash flows		
Less than one year	28.30	22.16
One to two years	25.38	19.50
More than two years	118.14	96.11
Total	**171.82**	**137.77**

Lease liabilities included in the balance sheet

Current	17.62	26.45
Non-current	99.37	70.69
Total	**116.99**	**97.14**

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.

For the transitional impact of Ind AS 116 and accounting policy, refer significant accounting policies.

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 36).

	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses relating to short-term leases (Refer note 36)	49.05	49.23
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 consolidated statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Right-of-use assets	20.56	17.27
Interest expenses	8.57	8.66
	29.13	**25.93**
Amounts recognised in Statement of Cashflows		
Total cash outflow for leases	25.15	19.46
	25.15	**19.46**

Note 51: Subsequent events

Subsequent to 31 March 2021, the Holding Company has offered and issued 12,153,668 Equity Shares of Rs. 10 each in relation to Initial Public Offering ('IPO') comprising a fresh issue of Equity shares by the Company and an offer for sale of the Equity Shares by certain existing shareholders of the Company. Subsequent to the IPO, the Equity Shares of the Company were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 28 June 2021.

Note 52: Impact of COVID-19

In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Group continues to be vigilant and cautious. However, the Government classified Dairy business as "Essential Commodity" and granted certain relaxations and guidelines so that production, processing and distribution of Milk and milk products will not be effected. The Group's production, processing and supply chain facilities remain in operation during lockdown period, following safety measures as per guidelines issued by Government. Thus, the impact of COVID-19 on the Group is minimal at this point of time. The Group has assessed the recoverability of Goodwill, receivables, inventories, certain investments and other financial assets considering the available internal and external information up to the date of approval of financial results and made adjustments wherever necessary. Considering the nature of these assets, the Group expects to recover the carrying amount of these assets. The actual impact of global health pandemic may be different from that estimated as at the date of approval of financial results. 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

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: L15209TG1995PLC020324

Sd/-
Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: 14 July 2021

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448

Place: Hyderabad
Date: 14 July 2021

Sd/-
D. Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
B.V.K. Reddy
Chief Executive Officer

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Sd/-
Ruchita Malpani
Company Secretary
M. No. F10677

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