

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF DODLA DAIRY LIMITED

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Dodla Dairy Limited (hereinafter referred to as the "Company") for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

Independent Auditors' Report on the Standalone Annual Financial Results of Dodla Dairy Limited (continued)

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results (continued)

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the 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 responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements 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 results made by the Management and Board of Directors.

Independent Auditors' Report on the Standalone Annual Financial Results of Dodla Dairy Limited (continued)

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (continued)

- 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 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 standalone annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results 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.

Other Matters

- a. The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the unpublished audited year to date figures up to the third quarter of the current financial year.
- b. The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year ended 31 March 2020 and the unpublished unaudited year to date figures up to the third quarter of the financial year ended 31 March 2020.
- c. The standalone annual financial results include the results for the quarter ended 31 December 2020 being the balancing figure between the unpublished audited year to date figures up to the third quarter of the current financial year and unpublished audited year to date figures up to the second quarter of the current financial year.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Hemant Maheshwari

Partner

Membership No.: 096537

ICAI UDIN: 21096537AAAAES6462

Place: Hyderabad

Date: 14 July 2021



DODLA DAIRY LIMITED
CIN : L15209TG1995PLC020324

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(₹ in Millions except per share data)

Statement of Audited Standalone financial results for the quarter and year ended 31 March 2021

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited Refer Note 4	Audited Refer Note 6	Unaudited Refer Note 5	Audited	Audited
INCOME					
1. Revenue from operations	5,055.60	4,678.24	4,912.65	18,369.04	19,876.16
2. Other income	29.47	20.28	74.33	77.88	123.61
3. Total income [1+2]	5,085.07	4,698.52	4,986.98	18,446.92	19,999.77
4. EXPENSES					
a) Cost of materials consumed	3,571.16	3,090.02	4,014.08	13,123.93	15,028.69
b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	269.77	143.62	(7.45)	(148.31)	574.29
c) Employee benefits expense	210.37	211.37	202.05	816.53	843.69
d) Finance costs	22.03	26.86	52.09	118.53	161.03
e) Depreciation and amortisation expense	116.64	119.66	117.65	473.50	463.35
f) Other expenses	694.92	588.82	669.47	2,407.96	2,450.03
Total expenses	4,884.89	4,180.35	5,047.89	16,792.14	19,521.08
5) Profit before tax [3-4]	200.18	518.17	(60.91)	1,654.78	478.69
6) Income tax expense					
a) Current tax	67.90	172.88	-	503.02	119.47
b) Deferred tax	63.60	(3.33)	-	67.82	74.51
7) Profit for the period/year [5-6]	68.68	348.62	(60.91)	1,083.94	284.71
8) Other comprehensive income/ (loss)					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of the net defined benefit obligation	6.54	(6.78)	(0.92)	5.23	(3.66)
Income tax relating to these items	(2.28)	2.37	0.32	(1.83)	1.28
Other comprehensive income/(loss) for the period/year (net of tax)	4.26	(4.41)	(0.60)	3.40	(2.38)
9) Total comprehensive income/(loss) for the period/year [7+8]	72.94	344.21	(61.51)	1,087.34	282.33
10) Paid-up equity share capital (Face value of ₹ 10 each)	583.25	556.72	556.72	583.25	556.72
11) Other equity				5,459.27	3,413.07
12) Earnings per share (Face value of ₹ 10 each) (not annualised for the quarter)					
a) Basic in (in ₹)	1.20	6.26	(1.09)	19.34	5.11
b) Diluted in (in ₹)	1.19	6.26	(1.09)	19.22	5.11

Balance sheet		(₹ in Millions)	
Particulars	As at		
	31-Mar-21	31-Mar-20	
	Audited	Audited	
ASSETS			
Non-current assets			
Property, plant and equipment	4,497.53	4,363.90	
Capital work-in-progress	82.57	84.97	
Goodwill	359.37	359.37	
Other intangible assets	63.61	95.51	
Biological assets other than bearer plants			
(i) Matured biological assets	18.65	19.91	
(ii) Immatured biological assets	8.32	5.53	
Financial assets			
(i) Investments	437.84	437.84	
(ii) Loans	261.81	-	
(iii) Other financial assets	0.43	278.34	
Income-tax assets	18.92	18.92	
Other non-current assets	11.66	11.40	
Total non-current assets	5,760.71	5,675.69	
Total current assets			
Current assets			
Inventories	853.45	1,110.20	
Financial assets			
(i) Investments	604.28	115.22	
(ii) Trade receivables	48.77	36.70	
(iii) Loans	56.66	47.87	
(iii) Cash and cash equivalents	881.95	267.32	
(iv) Bank balances other than above	717.47	0.34	
(v) Other financial assets	4.53	2.73	
Other current assets	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	583.25	556.72	
Other equity	5,459.27	3,413.07	
Total equity	6,042.52	3,969.79	
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	529.67	867.25	
(ii) Lease liabilities	98.18	68.84	
Deferred tax liabilities (net)	380.35	310.70	
Government grants	25.55	28.38	
Provisions	87.13	94.79	
Total non-current liabilities	1,120.88	1,369.96	
Current liabilities			
Financial liabilities			
(i) Borrowings	-	400.00	
(ii) Lease liabilities	16.81	25.71	
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	13.49	7.76	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	800.56	674.56	
(iv) Other financial liabilities	704.79	606.08	
Government grants	2.91	2.96	
Provisions	111.80	27.96	
Current tax liabilities (net)	156.34	194.61	
Other current liabilities	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	

Standalone Statement of Cash Flows

(₹ in Millions)

Particulars	Year ended	
	31-Mar-21	31-Mar-20
	Audited	Audited
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)
Operating profit before working capital changes	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	(7.82)	(206.12)
(Increase)/decrease in other current and non-current assets	(28.12)	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
Purchase of shares in subsidiary	-	(30.00)
Dividend income from non-current investment	-	53.96
Inter-corporate deposit given	(10.00)	-
Inter-corporate deposit matured	21.00	-
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)
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

Notes:

1. The financial results of Dodla Dairy Limited ("the Company") have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the relevant rules thereunder and in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The above results for the quarter and year ended 31 March 2021 were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 14 July 2021. The statutory auditors have expressed an unmodified audit opinion on these results.
3. Where financial results contain both consolidated and standalone financial results of the parent, segment information is required to be presented only in the consolidated financial results. Accordingly, segment information has been presented in the consolidated financial results.
4. The standalone figures for the quarter ended 31 March 2021 are the balancing figure between the audited standalone figures in respect of the full financial year and the unpublished audited year to date standalone figures up to the third quarter of the current financial year.
5. The standalone figures for the quarter ended 31 March 2020 are the balancing figure between the audited figures in respect of the full financial year ended 31 March 2020 and the unpublished unaudited year to date figures up to the third quarter of the financial year ended 31 March 2020. Also, the standalone figures upto the end of third quarter of the financial year ended 31 March 2020 were neither reviewed nor subject to audit, however, the management has exercised necessary due diligence to ensure that the financial results for these period provide a true and fair view of the Company's affairs.
6. The standalone figures for the quarter ended 31 December 2020 are the balancing figure between the unpublished audited year to date figures up to the third quarter of the current financial year and unpublished audited year to date figures up to the second quarter of the current financial year.
7. Subsequent to the year end, the Company has completed Initial Public Offering of upto 12,153,668 Equity Shares of face value of ₹ 10 each of Dodla Dairy Limited for cash at a price of ₹ 428 per equity share (including a share premium of ₹ 418 per equity share) aggregating upto ₹ 5,201.77 Million. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f 28 June 2021.
8. 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 results 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 results. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.
9. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company 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 results in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

for and on behalf of the Board of Directors of
Dodla Dairy Limited

Place : Hyderabad
Date: July 14, 2021

D. Sunil Reddy
Managing Director
DIN: 00794889