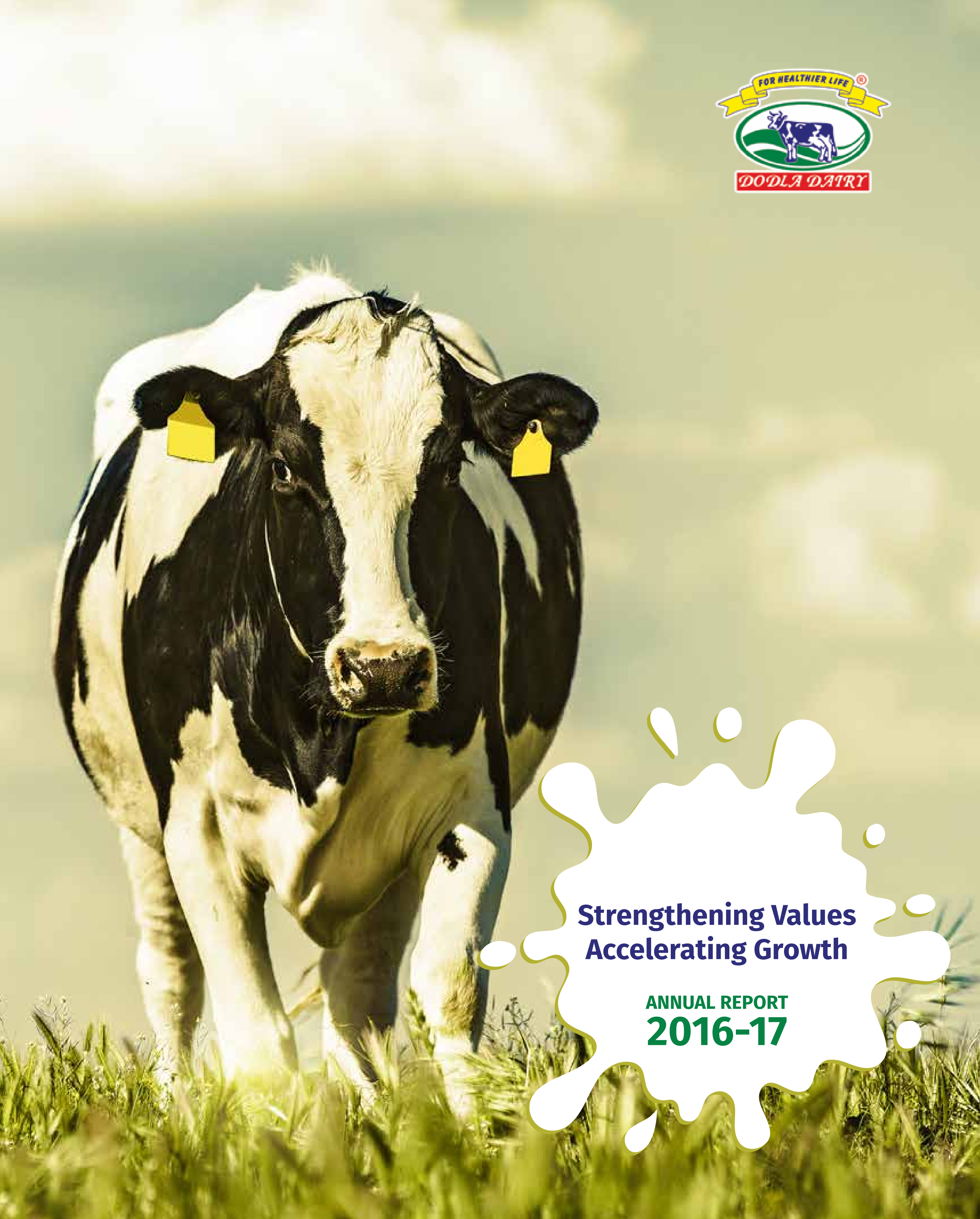
FOR HEALTHIER LIFE®

DODLA DAIRY



Strengthening Values Accelerating Growth

ANNUAL REPORT 2016-17

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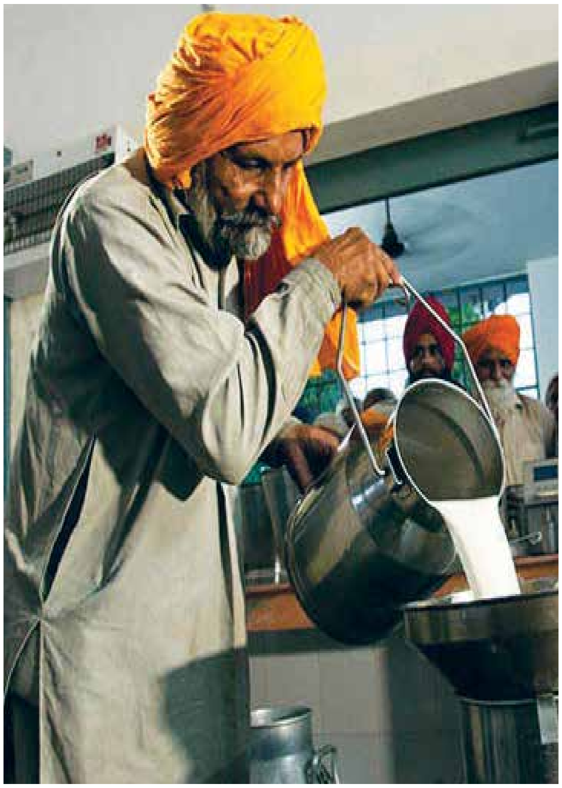


Key Operational Highlights of FY17

Turnover (Standalone) :

₹ **1,411.46** Cr.

Hyderabad plant commenced production

Land Acquired for Rajahmundry plant

Moved to new corporate office in Hyderabad.

Strengthening Values Accelerating Growth

Dodla Dairy Ltd is India's leading private sector dairy company processing and selling milk and dairy products in over 9 states in India under the brand name Dodla. The company has a clear strategy, a strong vision, robust values and a team of experienced people. We have made progress this year by sticking to our strategy and continuing to invest in our leading brands and our plants. Our readiness to proactively reshape our business to cope with new challenges will result in sustained growth and long-term value creation for everyone with an interest in Dodla Dairy.

Message From Chairman

Dear Shareholders

I am happy to reflect on another excellent year for our company. A good year for a dairy company like Dodla is also a good year for dairy farmers since close to 60% of the consumer price we share with our farmers who supply us milk on a daily basis.

We reported a standalone revenue of ₹ 1,411.46 Crores during the year as against ₹ 1,182.01 Crores in FY 2016. We achieved a higher profit after tax of ₹ 44.39 Crores as against ₹ 35.57 Crores. Two important key drivers of our sustainable growth have been our insightful understanding of our key stakeholders' and market dynamics in the dairy sector. We believe in empowering and delegation of our people and encourage decision making at all levels of the hierarchy.

Apart from revenue growth FY17 has been an important milestone for our company in terms of market expansions, technology upgradation and thereby enhancing corporate valuation. One of the important landmark achieved during the year has been our new Hyderabad plant commencing production. This plant is the largest among our 11 plants spread across Tamil Nadu, Andhra Pradesh, Karnataka and Telangana. We also moved to our new corporate office in Jubilee Hills, Hyderabad.

Our culture and values

Our success has been built on our strong links with the dairy farmers, our people, dealers, distributors, consumers and investors. From this foundation I am confident that we will grow further through creating an exceptional milk and milk product range. We have refined our corporate responsibility agenda across areas such as environmental impact, employee safety, diversity and development, product responsibility and social upliftment initiatives. At the core of our engagement with farmers, we help many milk supplying farmers gain access to critical inputs, such as affordable animal feed and veterinary services. Moreover, working with regional banks, we have helped more than 2,300 farmers secure financing to invest in their production capabilities.

The Board remains confident in the future prospects for Dodla Dairy. Our company has a strong management team who are delivering against a clear business strategy of building brands, adding value, driving simplicity, generating cash and reducing risk.

Regards

D. Sesha Reddy
Chairman

A good year for a dairy company like Dodla is also a good year for dairy farmers

Our Business Model

Our functional goals are aligned with our vision, mission and values.Our operations are organised in such a way that they are close to the markets and customers we serve. The product marketing consists of two dedicated teams focusing on liquid milk and value added dairy products. All operational decisions are made locally at the locations because, in our experience such kind of calls are most successful when made by the people who has the best understanding of the markets and those who implement them. The board of directors and senior management aims to provide a framework in which our team leaders have the freedom and decision-making authority to pursue opportunities with entrepreneurial flair. All our functional goals are aligned with our vision, mission and values.

Vision:

To be a world class dairy company by providing high quality Products and Services.

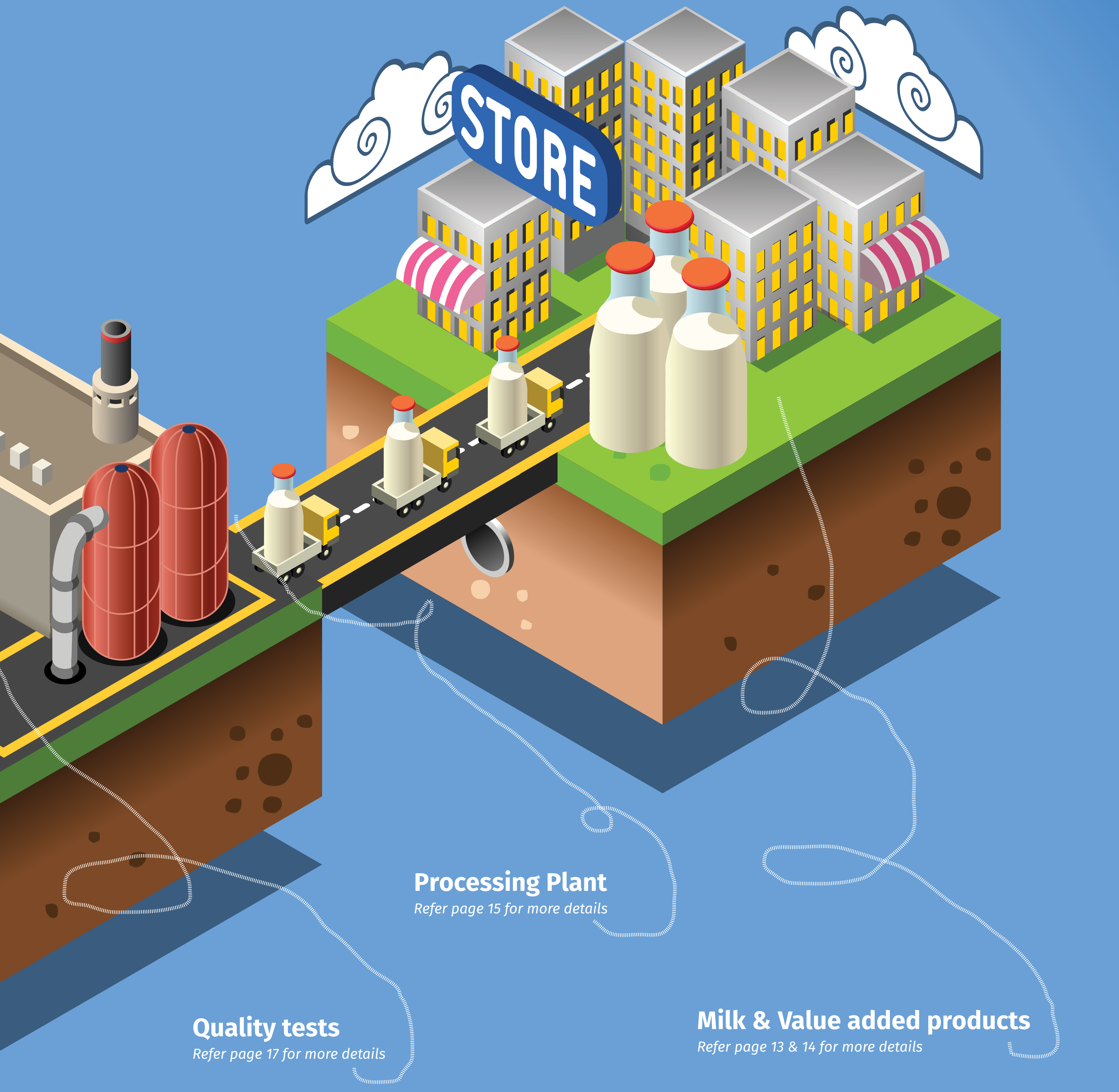
Mission:

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

Our Values

We understand the value of people and believe that by way of **HARD WORK** we can achieve extraordinary results. We trust that **INTEGRITY** of people is the key factor for long-term sustenance. Our faith on openness and **TRANSPARENCY** will encompass across all transactions beyond business. We believe that, **SINCERITY** is the road for success. Our **COMMITMENTS** are irrevocable and we stand by them. Truthfulness is our soul and we never compromise on **HONESTY.**


Milk collection
Testing for Fat/SNF content
09
Chilling centres



Dodla Value Chain

Review By Managing Director

Global Vision: Our goal is to be a multinational dairy company by setting up our manufacturing units in different parts of the world as well as through exports. As part of our global vision we acquired Lakeside dairy in Uganda in 2014. We are scouting for more such acquisitions to increase our footprints.

1

Standalone revenue increased by 19.41%

On Standalone basis, the revenue from operations for FY 2017 at 1,411.46 Crores was higher by 19.41% over the last year (1,182.01 Crores in FY 2016).

2

PAT increased by 25% Y-o-Y basis

Profit after tax of ₹ 44.39 Crores, 25% higher than that of the previous year (₹ 35.57 Crores).

3

Increased Number of Retail Outlets

From about 50,000 in FY17 the number of retail outlet increased to 65,000

4

Overseas capacity increased

From 20,000 LPD in FY16 the production capacity at Uganda has been increased to 35,000 LPD in FY17.

Our Strategy: Today we source milk from 250,000 farmers across 7,000 villages. Milk and milk products processed by the company are sold across 9 states in India. In a dynamic dairy segment we remain adaptive and find new options quickly, vary our approaches to test our strategic options and select the most successful ones. We have been spending on brand building and increasing processing capabilities to strengthen milk as well as value added product pipeline. To reinforce our value chain we have increased direct procurement during the last 2 years as well as increased our distribution networks in Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. Our existing product portfolio is in line with the changing dairy consumption habits. While the larger volume of the business comes from milk, curd is becoming a significant contributor to our revenue pie with close to 25%. In the value-added segment ghee is distributed in most part of India and milk powder is sold in South and West Bengal. UHT milk is gaining acceptance especially in urban markets and this segment is expected to have grown at a CAGR of 25% between 2010-16. While our plant in Koppal, Karnataka is equipped with UHT processing and packing, our operational capabilities along with regular capex programmes can support putting up any additional UHT processing line in other plants. We are also venturing into branded Ice creams which will be launched soon in our key markets.

Key Developments in FY17:

During FY17 the company expanded in terms of increasing operational capabilities as well as markets. Increasing brand equity in our key markets were aided by an outdoor promotional campaign and release of our new ad film in electronic and social media channels.

In FY17 we increased our advertising outlay to Rs.7.46 Cr from 3.75 Cr in FY16.

In FY16 we acquired a processing plant in Dharmapuri in Tamil Nadu. This new plant has helped us to expand our markets in central and south Tamil Nadu.

Going Forward:

Rise Fund, a global fund committed to achieving measurable, positive social and environmental outcomes alongside competitive financial returns has invested Rs 321 crore ($50 million) in our company. This investment in Dodla, is Rise Fund's first in the food and agriculture sector, as well as its first in India. The Rise Fund is managed by TPG Growth.

After the successful launch of the Hyderabad plant we are in the process of setting up our new 2 LLPD plant in Rajahmundry in Andhra Pradesh. This upcoming plant which is expected to be ready by end of 2018 will strengthen our distribution in north Andhra Pradesh.

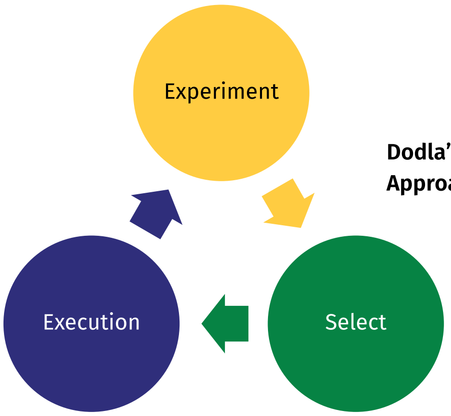
Regular capex is one of our key strategy for strengthening our value chain. It is essential to expand our milk and milk products processing capabilities as the Indian dairy consumption is undergoing dynamic changes with respect to increase per capita consumption of milk and value added products. We would continue our organic and inorganic expansions through infusing fresh capital by way of equity or debt.

REGULAR CAPEX IS ONE OF OUR KEY STRATEGY FOR STRENGTHENING OUR VALUE CHAIN.

Our Strategy

Our strategies are aimed at strengthening the milk value chain which encompasses dairy farmers i.e milk producers, employees, processing facilities and consumers.

Dodla operates in a business environment which is highly competitive and less malleable. In milk and value added dairy products market prediction is difficult and business advantage can be short-lived. To stay successful in this volatile market environment, we make ourselves adaptive to changes by remaining agile. The leadership at Dodla quickly identify innovative options with respect to operations, technology, products & markets. Depending upon the success of these new options we quickly allocate and reallocate resources. Our approach to strategy is a cycle in which we vary with different strategic options followed by selecting the most promising options and scaling up towards our goal.



Dodla's Adaptive Approach to Strategy

Q&A with CEO

We expect Hyderabad plant to further scale up in capacity and capacity utilization in the coming months. With our plant in Koppal in Karnataka running at an optimal utilization we saw significant sales volume increase in North Karnataka markets catered by this plant.

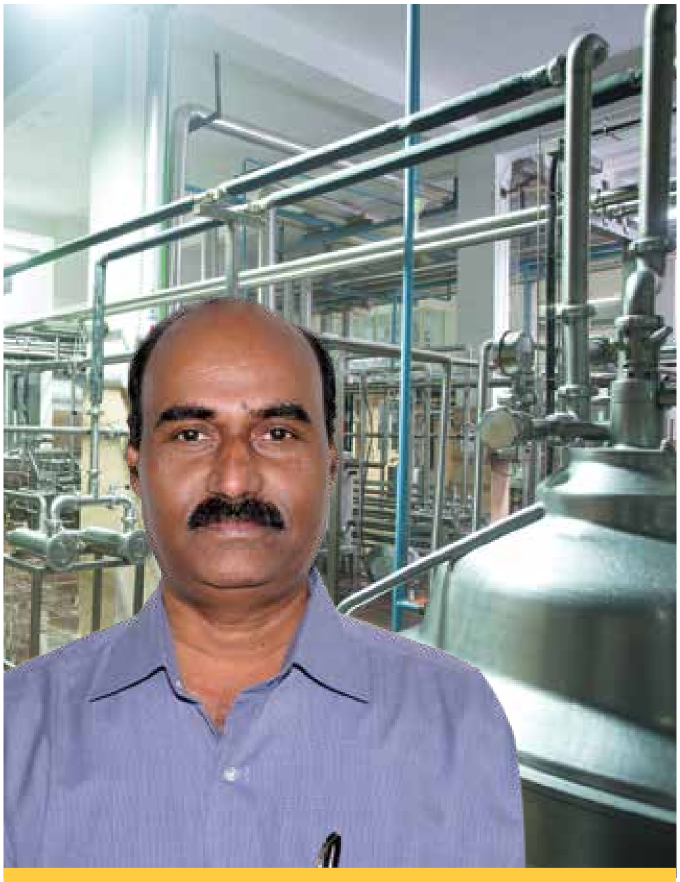
On Performance : While our milk sales Volume increased by 13%, curd sales volume increased by 25%. Value added products grew by 29% - resulting in an overall revenue growth of 19.41% in FY17. While Karnataka contributed 22% growth, Tamil Nadu 17%, Telangana 21% Andhra Pradesh has been 3%.

On Key Operational Initiatives : Project planning and seamless execution are unique capabilities of our management. During the year we commenced operations at our state of the art plant near Hyderabad. This, along with our ongoing direct to market strategies has helped us to achieve 20% growth in Hyderabad market. Trial production of Ice-cream is going on in Hyderabad and we expect the product to be launched in Q3 of FY18. We expect Hyderabad plant to further scale up in capacity and capacity utilization in the coming months. With our plant in Koppal in Karnataka running at an optimal utilization we saw significant sales volume increase in North Karnataka markets catered by this plant. As part of strengthening our markets in Andhra Pradesh, we are putting up a new plant in Rajahmundry and land for the same has been acquired. The construction of this plant will commence from Q1 of FY18. This upcoming plant will have initial capacity of 1 LLPD scalable to 2 LLPD

Apart from serving Bangalore market, the new plant acquired in Dharmapuri in Tamil Nadu is helping us to supply milk to key markets like Salem, Erode & Coimbatore.

During the year we also amplified our brand visibility through publicity as well as increased number of Dodla Retail Points, Dealers and Distributors. As part of the product packaging revamp we have changed the milk packing which now comes with a contemporary look.

On Hyderabad Plant : Currently the plant comes with a milk processing capacity of 1.2 LLPD. State of the art processing machines are being used for milk, curd and flavoured milk production. Flavoured milk packaging in our Hyderabad plant is in PET bottles which are more handy for consumers

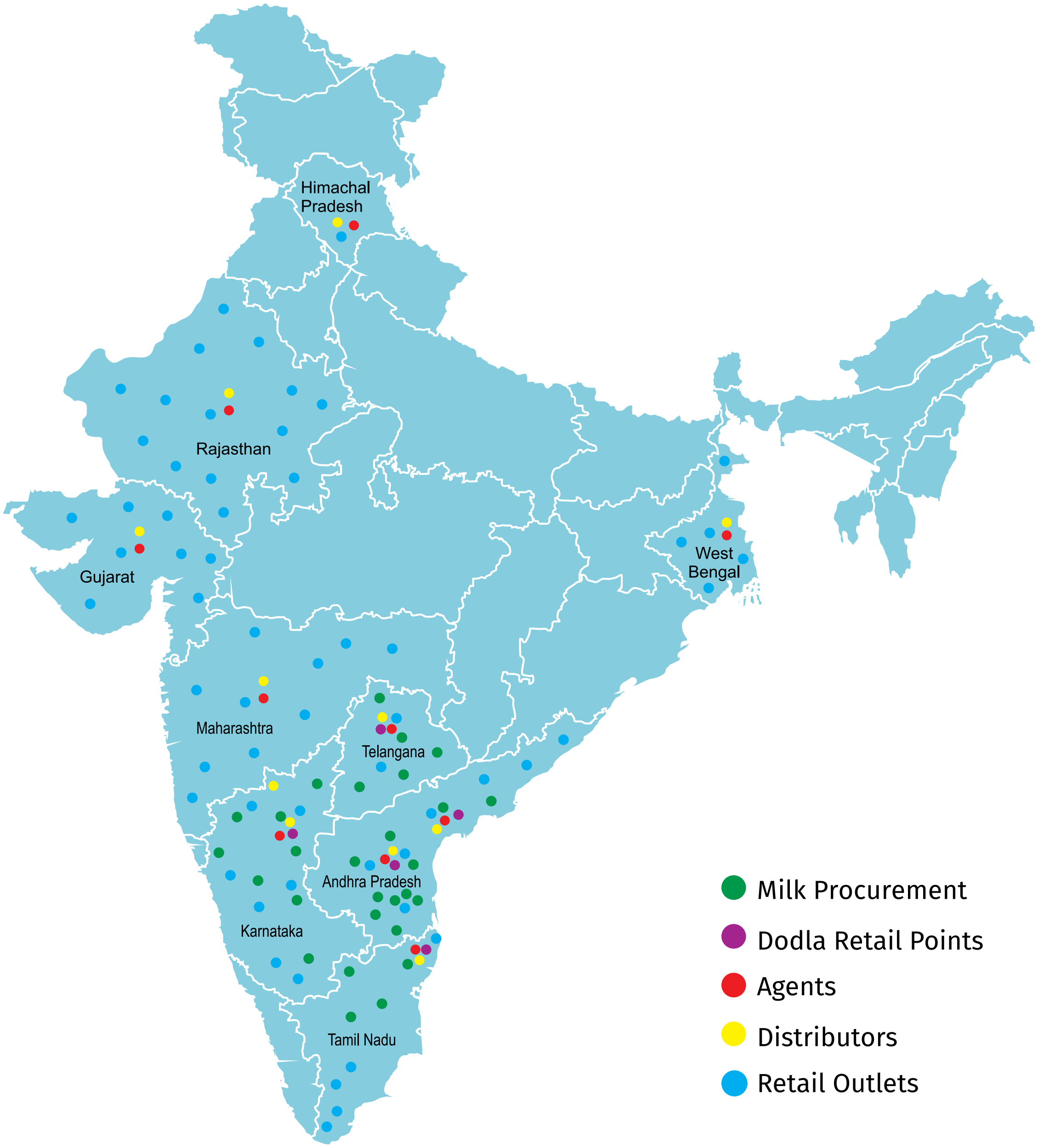


to use and easy for us to transport. 1400 Ton cold storage for storing butter is also being commissioned in Hyderabad.

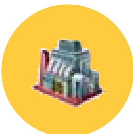
Technology Upgradation : Our regular capex is also aimed at upgrading technology across our facilities. Refurbishing upgrading of existing machineries, introducing latest semi automated and fully automated processing lines is being undertaken regularly at our plants.

Where we operate

(Map Not to Scale / Count)





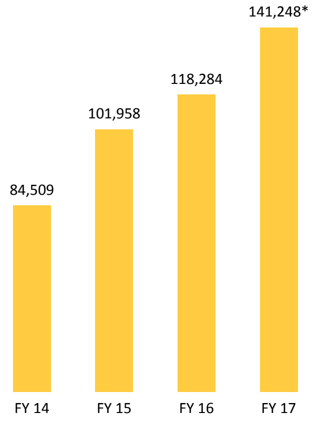




Milk Procurement (LPD)	Farmers	Villages	Chilling Centers	Processing Plants	Retail Outlets
1,000,000 +	**250,000 +**	**7,000 +**	**61**	**11**	**65,000 +**

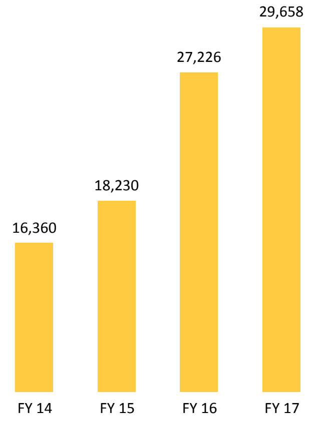
Key Performance Indicators

Standalone

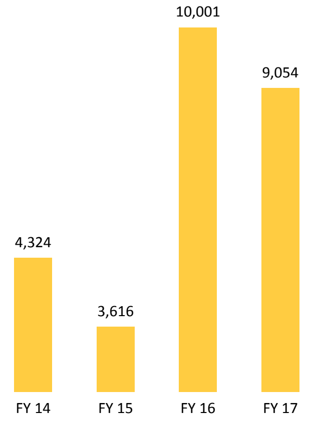
Revenue (Lakhs)



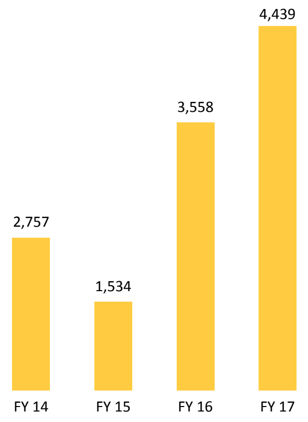
Gross Margin (Lakhs)



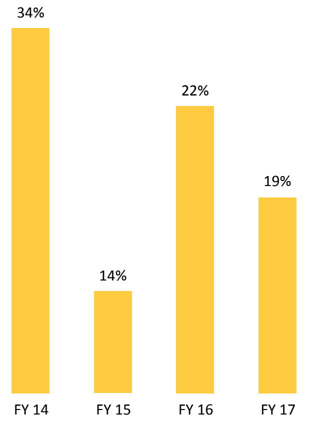
EBITDA (Lakhs)



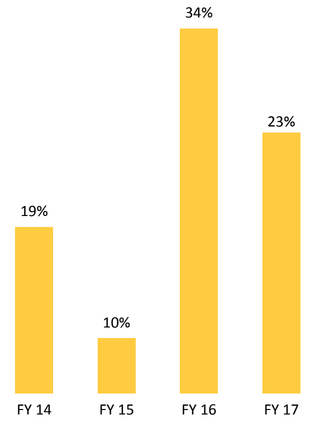
PAT (Lakhs)



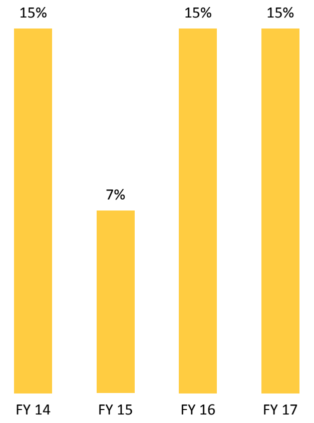
Return on Fixed Assets



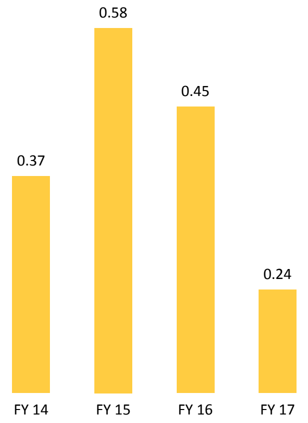
Return on Capital employed



Return on equity



Debt equity ratio



* Revenue includes other operating income

Consolidated

₹ Lakhs

Particulars	2016-17	2015-16
Revenue	144,621	120,114
Gross Margin	30,806	27,989
EBITDA	9,287	9,879
PAT	4,385	3,592
Return on Fixed Assets	17%	20%
Return on Capital Employed	23%	31%
Return on Equity	16%	15%
Debt Equity Ratio	0.26	0.43

About
Dodla Dairy Ltd

The company grew rapidly during the past one and half decades. Today it is one of the popular dairy companies in India.

Dodla Dairy Limited is a Public Limited Company having its Head Quarters at Hyderabad City of Telangana State in India. The company is established by a well-known family of Nellore district of Andhra Pradesh in the year 1998. The company procures, process and sells milk and milk products across 9 states in India. Dodla Dairy is an ISO 22000: 2005 and ISO 50001:2011 (EnMS) Certified Organization. The company is having 11 state of art technology Processing Plants, 72+ chilling centres, The company has a wide distribution network across pan India. The products and services are offered through 16 Sales offices.

Products

The company offers wide range of Milk Products Comprising of Fresh Milk, Butter, Ghee, Paneer, Curd, Flavoured Milk, Doodh Peda, Ice Cream and Skimmed Milk Powder. These products are conveniently packed to suit various needs of consumers.

Competitive Advantage

The company grew rapidly during the past one and half decades. Today it is one of the popular dairy companies in India. The consistent growth of the organization reflects the customer confidence on the products and services offered. The company has gained the competitive advantage over the other players by delivering the highest quality dairy products to the consumers. Now, the company is prepared to face the future challenges by upgrading its systems and infusing new technology.

Milk

We procure about 1,000,000 litres of milk per day, from over 250,000 dairy farmers. The fresh milk from the buffalos and cows is brought to the nearest chilling centres and then to the nearest state of the art processing plants without breaking the cold chain. The chilled milk is pasteurised and this process will kill pathogenic microbe that causes spoilage of milk. It also kills any harmful bacteria. Dodla milk is packed in high quality food grade pouches. These pouches are user friendly to the consumers. The product undergoes stringent quality checks before packing. The company offers different types of milk variants as per customer requirements like Full Cream Milk, Toned Milk and Double toned milk, standardised milk etc. The customer can choose between Cow & Buffalo milk as per their taste and habits.

Product Stewardship : Apart from maintaining a seamless cold chain from procurement to consumer the milk is pasteurised and process will kill pathogenic microbe that causes spoilage of milk. It also kills harmful bacteria like Salmonella, Staphylococcus, Listeria, Yersinia, Campylobacter and Escherichia etc. Pasteurization can prevent diseases including Tuberculosis, Brucellosis, Diphtheria, Scarlet Fever and Q-Fever etc. After the completion of serial process, the milk will be safe for human consumption.

Value Added Products

Curd

The Dodla curd is made out of good milk by using high quality Culture. Milk is fermented with lactic acid present in curd under low temperatures (optimum 69 degrees F). Dodla curd is available both in sachets and enclosed containers. The Dodla Curd is packed in Grams Food grade poly cups and sachets. The Cup curd is packed in disposable food grade cups. The curd pack variants are available in 100 and 200 grams. Dodla Curd is available at Dodla Retail Points, General Stores and with local milk vendors in all towns and cities of south India.

Product Stewardship: Dodla Curd is processed under stringent quality systems and are packed in food grade sachets. Consistent quality is maintained in terms of taste and thickness for optimal taste.

Ghee

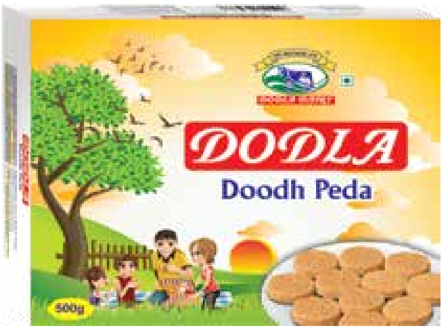
Dodla Ghee is made from Buffalo and Cow milk. This is made by simmering unsalted butter in a large pot until all water has been boiled and protein has been settled at the bottom. The cooked and clarified butter is then spooned off to avoid disturbing the milk solids on the bottom of the pan.

Product Stewardship: Dodla Ghee is made without adding any preservatives or chemicals. The natural Aroma is the main feature for its success in the Ghee market.

Paneer

Dodla Paneer contains less moisture. It has got separate segment of buyers due to its good taste and quality. Dodla Paneer is available in 200 and 500 gram packets.

Product Stewardship: Fat content in the milk is maintained to get the richness and quality of the product. We ensure that during the manufacturing process the correct temperature, and pH of coagulation are maintained.



Doodh Peda

Dodla makes Doodh Peda from pure Buffalo Milk. Our mechanised manufacturing process ensures granule texture and consistent taste. Doodh Peda is packed specially to retain the Freshness and Natural flavour.

Buttermilk

Dodla pasteurised Buttermilk which meets the PFA standards is available in food grade 200 ML cup and pouch.

Product Stewardship: Dodla Buttermilk is produced in very hygienic and clean atmosphere. Scientific bacterial culture in Dodla Buttermilk improves digestion.

Flavoured Milk

Dodla flavoured milk in 6 flavours is available in 200 ML PET and Glass Bottles. The product is treated at high temperatures (UHT) and packed aseptically to ensure high quality and purity.

Our Plants

The company is having 11 milk processing and packaging plants strategically located to seamlessly cater the existing markets. These plants are located in the states of Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. The unit locations are Hyderabad Nellore, Palamaneru, Penumuru, Sattenapally, Badvel, Kurnool, Tanuku, Koppal, Tumkur and Dharmapuri. This also includes a Skimmed Milk Powder (SMP) manufacturing unit at Nellore, Andhra Pradesh State. The combined total capacity of these 11 plants is 12 lakh litres per day.

Overseas Operations

Lakeside Dairy Ltd., was incorporated by Dodla on 15 July, 2014 to acquire the business of Hillside Dairy & Agriculture Ltd., and to carry on with the business of Dairy. It is a wholly owned subsidiary of Dodla Holdings Pte Ltd, Singapore. The processing unit is located at Mbarara and the sales depot is in Kampala. At present milk is procured from dairy farmers in Uganda through 15 co-operative societies.   In FY16-17 per day processing has been increased to 35,000 LPD. The plant currently manufactures liquid milk yogurt with different flavors, Ghee, Paneer, Cheese & ESL milk under the brand name Dairy Top.

A Vision for High Quality Products

Dodla Dairy deploys best practices in quality control throughout the supply chain. Rigorous procedures and analysis are sincerely followed through the supply chain which includes physical, chemistry, microbiology and residue monitoring.

Quality Test Chart

Tests conducted at Collection centers	Tests conducted at Chilling Centers	Tests conducted at processing centers
Test for Fat and SNF content GPRS enabled electronic milko analysers are installed at milk procurement points. Also makes transaction with the farmers, circumventing middlemen.	**Methylene blue reduction test** Quick method to assess the microbiological quality of raw milk. Enhances identification of milk contamination, which is one of the major sources for transmission of diseases from animals to human.	**Beta lactum test** Detects Anti-biotic residue – within Maximum residue limit (MRL). Enables identification of milk contamination, which is one of the major sources for transmission of diseases from animals to human.
Organoleptic Test Test for appearance, test & smell. Enables rapid segregation of poor quality milk at the receiving platform. The result of test is obtained instantly and at low costs.	**Acidity Test** Natural acidity of milk is 0.135. Higher acidity signifies action of bacteria on milk sugar.	**Adulteraion test** Adulteration test using Milko Screen by FOSS. **Neutralizer test using Sodium Analyser**

CERTIFICATE OF REGISTRATION

This is to certify that:

Dodla Dairy Limited

Sy. No - 51 B/A, Pullur Village, Manopad Mandal, Mahabub Nagar, Telangana 509128, INDIA

operates a

FOOD SAFETY MANAGEMENT SYSTEM

Which complies with the requirements of

AS/NZS ISO 22000:2005 incorporating the Principles of HACCP developed by the Codex Alimentarius Commission (Rev 4-2003)

For the following scope:

The manufacture (receiving of milk pasteurisation, separation, homogenisation, fermentation) and packing of liquid milk, curd in consumer pack.

Certificate No: FSM41877

Issued: 1 July 2016
Expires: 28 June 2019

Originally Certified: 29 June 2016
Current Certification: 29 June 2016

Heather Mahon
Acting Head of Policy, Risk and Certification

SAI GLOBAL

CERTIFICATE OF REGISTRATION

This is to certify that:

Dodla Dairy Limited

Sy. No - 163 & 164, Indragi Village, Koppal Taluk & (Dist.) Karnataka, 583231, INDIA.

operates a

FOOD SAFETY MANAGEMENT SYSTEM

Which complies with the requirements of

AS/NZS ISO 22000:2005 incorporating the Principles of HACCP developed by the Codex Alimentarius Commission (Rev 4-2003)

For the following scope:

The manufacture (receiving of milk, pasteurisation, separation, homogenisation, fermentation) and packaging of liquid milk, butter, ghee, curd, buttermilk, sterilized flavoured milk, UHT milk, doodh peda and paneer in consumer pack.

Certificate No: FSM41876

Issued: 1 July 2016
Expires: 28 June 2019

Originally Certified: 29 June 2016
Current Certification: 29 June 2016

Heather Mahon
Acting Head of Policy, Risk and Certification

SAI GLOBAL

CERTIFICATE OF REGISTRATION

This is to certify that:

Dodla Dairy Limited

Dhulipalla Village, Sattenapally Mandal, Guntur (Dist.), Andhra Pradesh – 522403, INDIA.

operates a

FOOD SAFETY MANAGEMENT SYSTEM

Which complies with the requirements of

AS/NZS ISO 22000:2005 incorporating the Principles of HACCP developed by the Codex Alimentarius Commission (Rev 4-2003)

For the following scope:

The manufacture (receiving of milk pasteurisation, separation, homogenisation, fermentation) and packing of liquid milk, butter, curd, buttermilk, doodh peda and paneer in consumer pack.

Certificate No: FSM41878

Issued: 27 June 2016
Expires: 18 June 2019

Originally Certified: 19 June 2016
Current Certification: 19 June 2016

Heather Mahon
Acting Head of Policy, Risk and Certification

SAI GLOBAL

Our Business Responsibility

Dodla aspires to unite business success with the needs of farmers, employees, society and environment.

Farmers

The farmers have always been central to Dodla Dairy, since they are the suppliers of milk - our most important raw material. Farmers are an essential part of our milk value chain and their milk production is seamlessly connected with our milk processing and marketing. Dodla Dairy collects close to 10 lakh litres of milk per day from about 2,50,000 farmers,

In 2015 the company started implementing technology in milk procurement. The company is procuring high quality milk by using GRPS enabled electronic milk analyzers which generate the milk quality & quantity report at the time of procurement. This technology helps in monitoring the milk quality as well as speedy payment disbursements to farmers in a transparent manner. At present over 50% of our milk procurement centres are equipped with milk analyzers and the company is in the process of implementing it across its milk collection points.

Time to time the company also conducts free workshops for farmers on best farming practices. Dodla dairy is among the few dairy processors in the country having own dairy farm. Situated in Pulivendula in AP with over 500 animals, this is a state of the art dairy farm where all modern farming methods are practiced. Having own farm give the company a first-hand experience in dairy farming.

Employees

Dodla Dairy has a team of over 2000 employees across various locations in India and Overseas. All the employees are qualified and trained to execute their jobs in an effcient manner. Over a period of past 20 years we have been identified as distinguished dairy company where the employees are treated as family members. Our average attrition rate is 6 %, which is much lesser than many of our peers in the same sector.

In FY17 an automation process for HR has been initiated. The first phase of the process consists modules like Leave management, Travel management, Expenses reimbursement and Advance management. Going forward the company will initiate a new Performance Management System (PMS) for evaluating employee performance across all functions.

Corporate Social Responsibility

Our Corporate Social Responsibility initiatives are aimed at improving livelihood, education and vocational skills among women, elderly and differently abled.

During the year the company decided to renovate the Zilla Parishad School in Mahmuddapuram, in Nellore District of AP. This project is going to benefit over 250 students mostly from the rural areas. The total outlay for the same is Rs. 75,00,000 (Seventy Five Lakh). Under this project the entire school building - interior and exterior will be renovated with furniture. Toilets are also being constructed.

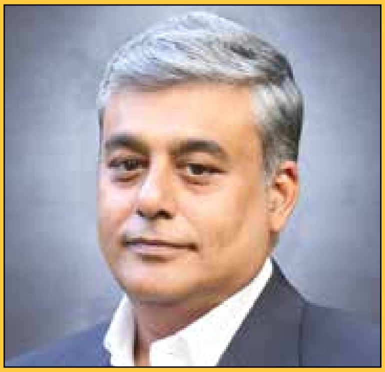
Environment

TÜV SÜD South Asia awarded ISO 50001:2011 Energy Management System certificate to Dodla Dairy Limited. Dodla is the first dairy company in India which got this certificate in energy conservation. This certificate is an outcome of company's initiatives to induce process driven alterations in the systems in order to improve energy effciency, cut greenhouse gas emissions and recycle water. All 12 plants of the company have deployed energy efficient manufacturing and emission control methods.

Board of Directors

Dodla Sesha Reddy
Chairman/ Director

40 years of experience across diverse industries such as paper, construction, software and castings. He also serves on the Board of a listed company, Nelcast. Mr.Sesha Reddy is involved in CSR activities of the company especially in the fields of rural education.



Dodla Sunil Reddy
Managing Director

A B.E., in Industrial Engineering from Mangalore University, Mr.Sunil Reddy has close to 25 years of experience in the dairy industry and is a Dairy chain expert. He provides strategic direction to the company.

Kishore Mirchandani
Independent Director

He has 25 years of experience in finance & accounting. In 2001 he founded Outsource Partners which was subsequently sold to EXL Services Holdings in 2011. He Holds several board positions including at Comply `Global (Singapore), Fareportal Inc. and Essar Steel Algoma. He is a C.A.; C.P.A.; and a B.S., in Industrial Chemistry from City University, London

Ponnavolu Divya
Independent Director

Managing Director of NC Energy Limited and serves on the Board of Nelcast - a listed company. She started her career as an Analyst in Deutsche Bank. She is a M.S., in Networked Information Systems, Stevens Institute of Technology, USA; and a B.E. (Hons.), Computer Engineering.

Akshay Tanna
Director

Mr. Akshay Tanna aged 34 years is a Vice President at TPG Growth in Mumbai, and has been with TPG since 2011. Prior to joining TPG in 2011, Mr. Akshay Tanna worked for Merill Lynch and Deutsche Bank in the Financial Institutions Investment Banking Group. Mr. Akshay Tanna graduated from the Wharton School of University of Pennsylvania with Honors.

Vishwarupe Narain
Director

He is a graduate from Indian Institute of Technology, New Delhi and MBA from Stanford University, California. He is having a 16 years global experience including 6 years of private equity fund experience in US and India. He is a Partner and Managing Director of TPG Growth and also serves on the boards of various public and private Companies. Prior to joining TPG Growth in 2007, he was an investor with Bessemer Venture Partners in New York. Previous to that, he was an Engagement Manager in McKinsey's Private Equity Practice in Palo Alto and London. He joined McKinsey from Deloitte Consulting, where he was a Senior Consultant.

NOTICE

Notice is hereby given that the **22nd Annual General Meeting** of Members of the Company will be held on Saturday, 30 September 2017 at 11 A.M., at the registered office of the Company at 8-2-293/82/A/270-Q, Road No 10-C, Jubilee hills, Hyderabad – 500 033 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

    a. The Audited Financial Statements of the Company for the financial year ended 31st March 2017 together with the reports of the Board of Directors and the Auditors thereon.

    b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2017 together with the reports of the Auditors thereon.

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

3. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), the Company hereby ratifies the appointment of M/s. B S R & Associates LLP, Chartered Accountants, Hyderabad, (Firm Registration No. 116231W/ W100024) as Statutory Auditors of the Company to hold office until the conclusion of the 23rd Annual General Meeting to be held in the Financial year 2017-18, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, as may be mutually agreed between the board of directors of the company and the auditors."

By Order of the Board

Place: Hyderabad
Date: 16 August 2017

Ruchita Malpani
Company Secretary

Notes:

1. Every member is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company.

2. Duly filled in Proxy form must be deposited at the registered office of the company before 48 hours of the time fixed for holding the meeting.

3. Members having any queries with respect to Accounts may communicate the same to the Company 48 hours well in advance before the meeting.

Members are requested to:

i. Note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting. A physical copy of annual report may be provided to members on receiving a specific request from them.

ii. Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, as entry will be strictly on the basis of the entry slip, available at the counters at the venue to be exchanged with the attendance slip.

iii. Quote the Folio / Client ID & DP ID Nos. in all their correspondences.

iv. Note that no gifts/compliments/coupons will be distributed at the Annual General Meeting.

v. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution or power of attorney authorizing their representatives to attend.

vi. Members are requested to notify immediately, changes if any, in their addresses, in respect of the physical shares held by them, to the Company, and to their Depository Participants (DP) in respect of shares held in the dematerialized form.

    In support of the green initiatives of the Central Government and also to save trees, we sincerely urge and request the shareholders to compulsorily register their e-mail ids with the Company. Please join us in this endeavour to reduce the usage of paper.

SAVE PAPER . . . SAVE TREES . . .

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :

Name of the Company :

Registered Office :

Name of the member (s)	
Registered Address	
E-mail Id	
Folio No./Client Id	
DP ID	

I/We, being the member(s) of ___________Limited, shares of the above named company, hereby appoint:

1. Name :
   Address :
   E-mail Id :
   Signature : or failing him/her

2. Name :
   Address :
   E-mail Id :
   Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my /our behalf at the Annual/Extra-Ordinary General Meeting to be held on _____________at the ________of the Company at_________ and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.

2.

Signed this ....day of 2017

Affix Re.1/- Revenue stamp

Signature of Shareholder Signature of Proxy holder(s)

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company, not less than One hour before the commencement of the meeting.

Statement provided pursuant to the provisions of Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India

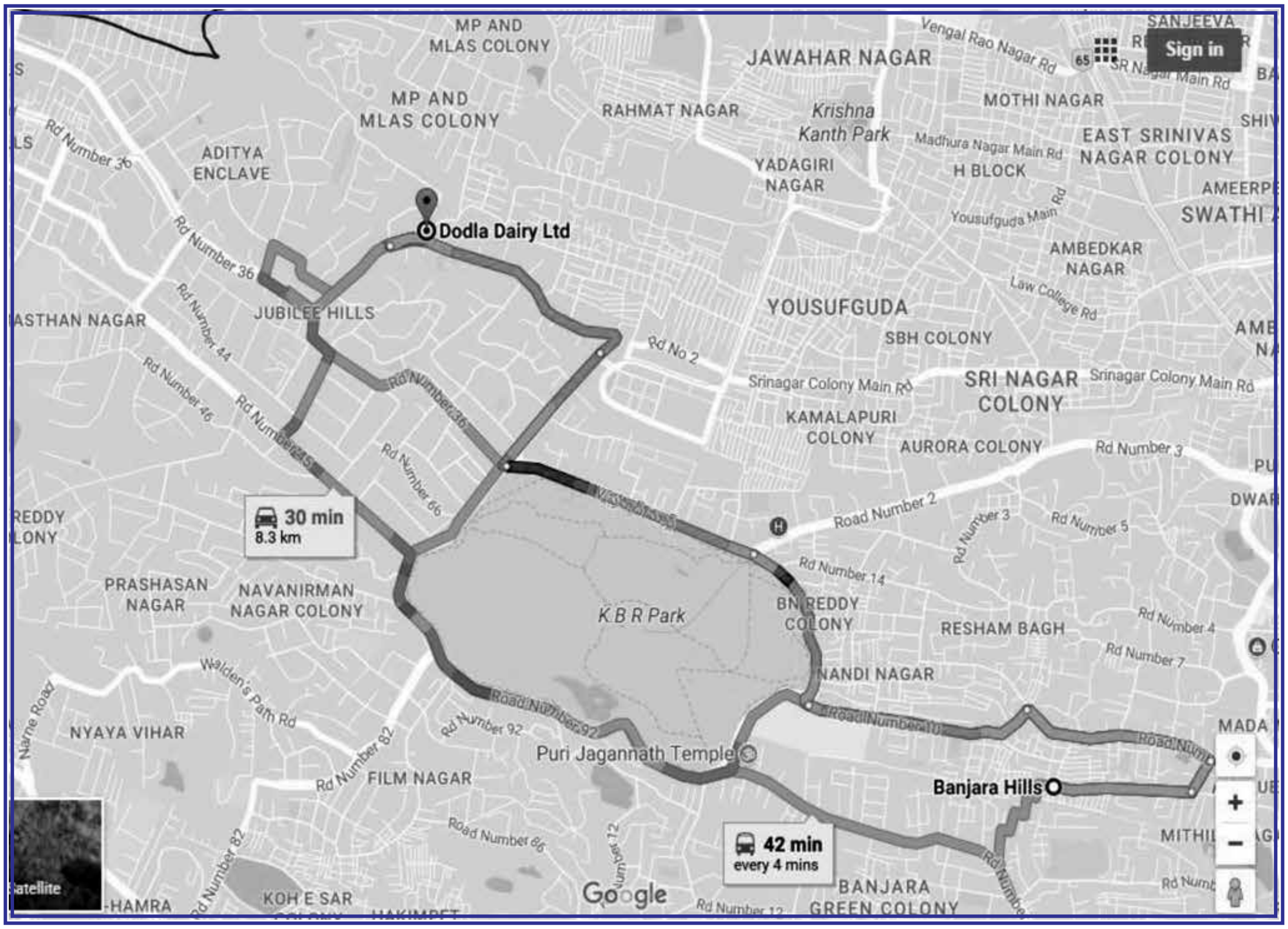
BRIEF PROFILE OF DIRECTOR WHO HAS SOUGHT FOR RE-APPOINTMENT

Item No.: 2

Mr. D. Sesha Reddy, is a graduate from Osmania University in the field of Arts, is one of the co-founder of the Company, who is presently acting in the capacity of Non-Executive Director and Chairman of the Company. Further, he has vast experience in the Construction industry particularly Infrastructure projects since 25 years, which has helped in contributing significantly to company's activities relating to setting up processing plants / chilling centres / bulk coolers. Currently he lends his years of experience in defining the vision and strategy of the Company.

Taking into consideration his qualification and rich experience it is proposed to appoint Mr. Sesha Reddy to spearhead company's strategies including monitoring effective implementation of Capex plans.

Route Map



Directors’ Report

Dear Members,

Your Directors take the pleasure in presenting the 22nd **Directors’** report on the business and operations of the Company for the financial year ended 31 March 2017.

FINANCIAL HIGHLIGHTS (Amount (₹) in Crores)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Total Income	1,446.21	1,207.35	1,415.97	1,187.60
EBITDA	92.88	100.77	90.54	100.01
Finance Cost	8.03	12.18	8.03	12.18
Depreciation, Amortisation, Impairment	21.03	18.94	19.69	17.98
Profit Before Tax	65.57	74.41	65.94	74.06
Current Tax	18.43	24.23	18.26	24.23
Deferred Tax charge	3.29	0.03	3.29	0.03
Earnings per Equity Share (in ₹)	133.91	109.71	135.56	108.63
Paid up Equity Share Capital	3.27	3.27	3.27	3.27
Reserves	276.00	235.38	285.31	240.92

STATE OF AFFIARS / COMPANY’S PERFORMANCE

On Consolidated basis, the revenue from operations for FY 2017 at ₹ 1,441.52 Crores was higher by 20% over the last year (₹ 1,201.34 Crores in FY 2016) with a corresponding Profit after tax of ₹ 43.85 Crores, 22% higher than that of the previous year (₹ 35.92 Crores).

On Standalone basis, the revenue from operations for FY 2017 at 1,411.46 Crores was higher by 19.41% over the last year (₹ 1,182.01 Crores in FY 2016) with a corresponding Profit after tax of ₹ 44.39 Crores, 25% higher than that of the previous year (₹ 35.57 Crores).

TRANSFER TO RESERVES

The Company has not proposed to transfer any amount to the general reserve out of the amount available for appropriation.

DIVIDEND

The Company has plans to expand its business in new locations across the globe and it may dip its retained earnings to fund the growth. Hence, your Directors have not recommended any dividend for the financial year 2016-17 to facilitate increased earnings.

CHANGE IN NATURE OF BUSINESS, IF ANY

There are no such changes occurred in nature of business during the financial year under review

MATERIAL CHANGES AND COMMITEMENTS, IF ANY, AFFECTING FINANCIAL STATEMENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS TILL THE DATE OF REPORT

There were no material changes and commitments affecting financial position of the company between 31 March 2017 and the date of Board’s Report, except the following:

The investor of the Company i.e., Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd, has transferred its entire 23.66% equity stake in the Company to TPG Dodla Dairy Holdings Pte. Ltd **(“the Investor”);** and Dodla Sunil Reddy and Dodla Deepa Reddy, promoters of the Company transferred part of their equity stake in the Company, which stake represents a total of 3.34% of the share capital of the Company, to the Investor.

Accordingly, the Composition of the Board and its committees and the shareholding pattern of the Company changed which is referred elsewhere of this report.

On 24 May 2017, a Step-down subsidiary of the Company has been incorporated under the name and style: "DODLA DAIRY KENYA LIMITED" in Kenya, South Africa

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

The particulars of loan, guarantee and investment have been disclosed in the financial statements

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended to this Report as Annexure I.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Details of the Subsidiaries, JVs and / or associate Companies is provided in Form AOC-1, appended to this report as Annexure II

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties pursuant to Section 188 during the year is provided in Form AOC-2, appended to this Report as **Annexure III**

EXTRACT OF THE ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form **MGT 9** is appended to this report as **Annexure IV.**

DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING

During the year under review, your Company has neither invited nor accepted any deposits from the Public / Members.

(a) Accepted during the year : Nil

(b) Remained unpaid or unclaimed as at the end of the year : Nil

(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:

- i. at the beginning of the year : Nil
- ii. Maximum during the year : Nil
- iii. at the end of the year : Nil

DETAILS OF DEPOSITS WHICH ARE NOT IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER V OF THE ACT

NIL

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS, COURTS, TRIBUNALS IMPACTING GOING CONCERN STATUS OR OPERATIONS IN FUTURE

The Company has not received any significant/ material orders from the statutory regulatory bodies/ courts/ tribunals which effect the operations/ status of the Company.

BOARD OF DIRECTORS

The board acts on an informed basis and in the best interests of the company with good faith, care and diligence, for the benefit of shareholders, while having regard to all relevant stakeholders. At the company, the board is accountable to shareholders and relevant stakeholders and is responsible for protecting and generating sustainable value over the long term. In fulfilling their role effectively, board of directors of the company:

- guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments;
- monitor the effectiveness of the company's governance practices, environmental practices, and social practices, and adhere to applicable laws;
- oversee the management of potential conflicts of interest, such as those which may arise around related party transactions;
- oversee the integrity of the company's accounting and reporting systems, its compliance with internationally accepted standards, the effectiveness of its systems of internal control, and the independence of the external audit process;
- oversee the implementation of effective risk management and proactively review the risk management approach and policies annually or with any significant business change;

The board meets regularly to discharge its duties and directors allocate adequate time to board meeting preparation and attendance. Board members are aware of the business, its operations and senior management well enough to contribute effectively to board discussions and decisions.

CHANGE IN THE DIRECTORS OR KEY MANAGERIAL PERSONNEL

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

Appointments

No Directors were appointed on the Board of the Company during the year under review however Akshay Tanna (DIN: 02967021) and Vishwarupe Narain (DIN: 03394320) were appointed as directors on the Board on 21 July 2017.

Resignations

None of the Directors or KMPs resigned from the Company during the year under review however Deepak Malik (DIN: 00662141) and James David Sayre (06392836) resigned from the Board with effect from 20 July 2017.

Composition of the Board:

Dodla Sesha Reddy	:	Chairman
Dodla Sunil Reddy	:	Managing Director
*James David Sayre	:	Director
*Deepak Mallik	:	Director
Kishore Mirchandani	:	Independent Director
Ponnavolu Divya	:	Independent Director
#Akshay Tanna	:	Director
#Vishwarupe Narain	:	Director

** Ceased as a Director with effect from 20 July 2017*

 # appointed as Additional Director and regularized as director with effect from 21 July 2017

Term of Board membership

As per the provisions of the Companies Act, 2013 (Act) one third of the board members retire every year. The executive directors are appointed by the shareholders for a period of five years at a time, but, they are eligible for re-appointment in accordance with the provisions of the Act. The board on the recommendations of the nomination and remuneration committee considers the appointment/ re-appointment of executive and non-executive directors. Independent directors are appointed for a term of up to 5 years.

Board Effectiveness

An effective board is a key feature of the governance journey to building a successful company. The duty of the board is to represent and protect the interests of all the stakeholders. In particular, it:

- provides direction for management;
- lays down strategy and vision;
- makes well informed and quality decisions based on a clear line of sight into the business;
- creates the right framework for helping directors meet their statutory duties under the relevant statutory and regulatory regimes

Training of board members

Non-executive directors who are inducted on the board are given an orientation about the company, its operations, services, details of subsidiaries and joint ventures, board procedures and processes and major risks and risk management strategies. The company ensures that directors are inducted through a familiarization process comprising, inter alia, their roles and responsibilities.

Meetings of Board of Directors

The Board has met Eight (6) times during the financial year i.e., on 2 May 2016, 27 May 2016, 9 August 2016, 10 August 2016, 6 December 2016, 23 February 2017. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013

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:

Meeting location

The meetings of the board of directors are usually held at the registered office in Hyderabad

Frequency of meetings

A minimum of four board meetings is held each year with the time gap between any two successive meetings not exceeding four months. 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.

Briefing papers

Board materials, including the notes on agenda are summarized and formatted in such a way that the directors can readily grasp and focus on the more significant issues in the preparation for the board meetings. Relevant and complete information is presented in an orderly manner. The board papers associated with a particular agenda item are set out as an executive summary with further details annexed thereto. The briefing papers are crisp and succinct and facilitate decision making.

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.

Directors' participation

All the directors participate, discuss and deliberate the proposals and matters put up to it. On some occasions, where a director is not physically present, the company arranges for Video Conference facility to enable participation. On matters where a director is concerned or interested, he/she does not participate.

Board Minutes

The minutes of the meetings of the board and committees are drafted such that they strike the right balance between being a bare record of decisions and a full account of the discussions. They mention the brief background of the proposal and summarize the deliberations and decisions. The minutes are drafted in unambiguous terms and comprise a fair and correct summary of the proceedings conducted thereat.

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

Secretarial Standards

The Institute of Company Secretaries of India (ICSI), a statutory body that is in the forefront of promoting corporate governance, has issued secretarial standards on various important facets of corporate functioning and management. The secretarial standards on board and general meetings are mandatory from 1 July 2015, the company has adopted and complied with the standards.

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 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.

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.

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 good 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.

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).

Meetings of Independent Directors

The independent directors met once in the financial year under review i.e., on 31 March 2017 to review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors and to assess the quality, quantity and timeliness of flow of information between the company management and the Board and suggested for various implementations for adopting enhanced transparency and hostile good governance practices in the Company.

COMMITTEES OF THE BOARD

Currently, the Board has 3 (Three) Committees: the Audit Committee, the Nomination and Remuneration Committee and the CSR Committee. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

a. Audit Committee

Composition of the committee:

Kishore Mirchandani	Chairman
Dodla Sunil Reddy	Member
Ponnavolu Divya	Member

Meetings:

The Committee had met Four (5) times i.e., on 26 May 2016, 27 May 2016, 9 August 2016, 6 December 2016 and 23 February 2017 during the financial year under review.

Highlights of duties, responsibilities & activities

- All recommendations made by the audit committee during the year were accepted by the Board.
- The Company has adopted the Vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics.
- The Company has developed and implemented a risk management framework that includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. The purpose is to assist the Board in fulfilling its corporate governance with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks efficiently and effectively

b. Nomination and Remuneration committee

Composition of the committee:

*James Sayre	Chairman
#Vishwarupe Narain	Chairman
Dodla Sesha Reddy	Member
Kishore Mirchandani	Member
Ponnavolu Divya	Member

** Ceased as Chairman and Member with effect from 20 July 2017*

 # appointed as Chairman and Member with effect from 21 July 2017

Meetings:

The Committee had met One (1) time i.e., on 9 August 2016, during the financial year under review.

Highlights of duties, responsibilities & activities:

- The committee oversees and administers executive compensation, operating under a written charter.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

c. Corporate Social Responsibility (CSR) Committee

Composition of the committee:

Dodla Sesha Reddy	Chairman
*Deepak Malik	Member
#Akshay Tanna	Member
Kishore Mirchandani	Member
Ponnavolu Divya	Member

** Ceased as Member with effect from 20 July 2017*

 # appointed as Member with effect from 21 July 2017

Meetings:

The Committee had met One (1) time i.e., on 9 August 2016, during the financial year under review.

Highlights of duties, responsibilities & activities:

- The Committee annually review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board if any.
- The Committee ensures that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and monitor the CSR Policy from time to time.
- The Committee identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- The Committee coordinate with outside agency for implementing programs and executing initiatives as per CSR policy and review the performance of agency periodically.
- The Committee delegate's authority to subcommittees formed as CSR Sub-Committee.
- The Committee reports to the Board about the progress of various initiatives and make appropriate disclosures on a periodic basis.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Evaluation of all Board members is done on an annual basis. The evaluation is done 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.

Mechanism for evaluation of board

Evaluation of all Board members is done on an annual basis. The evaluation is done 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.

Criteria for evaluation of Board of Directors as a whole

- The frequency of meetings;
- The length of meetings;
- The administration of meeting;
- The number of committees and their notes;
- The flow of information to board members and between board members
- The quality and quantity of information; and
- The disclosure of information to the stakeholders

Criteria for evaluation of the Individual Directors

- Ability to contribute and monitor corporate governance practices;
- Ability to contribute by introducing best practices to address top management issues;
- Participation in long term strategic planning;
- Commitment to the fulfilment of director obligations and fiduciary responsibilities;
- Guiding strategy;
- Monitoring management performance and development;
- Statutory compliance & Corporate governance;
- Attendance and contribution at Board/Committee meetings;
- Time spent by each of the member; and
- Core competencies

Nomination and Remuneration Policy

The objectives of the Policy

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
- To carry out evaluation of the performance of Directors,
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

A detail policy is available on the website of the Company.

RISK MANAGEMENT POLICY

The Company has adopted the following measures concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself.

a. To ensure there is an embedded, robust process in place throughout the Company to identify, assess, mitigate and report business risks with clear lines of ownership.

b. To drive and co-ordinate risk management process covering all areas of risk (including operational, strategic, financial, commercial, regulatory, reputational etc.), through an appropriate business risk management organization.

c. To ensure that the business risk strategy and management processes comply with applicable regulatory requirements and corporate governance principles.

d. To monitor external developments in the business environment which may have an adverse impact on Company's risk profile, and make recommendations, as appropriate.

e. To periodically monitor and review Company's key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact Company's delivery of its business plans, strategy, and reputation, if left untreated.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company is well equipped with adequate internal financial controls. The Company has a continuous monitoring mechanism which enables the organisation to maintain with the same standard of the control systems and helps them in managing any default on timely basis because of strong reporting mechanisms followed by the company. The internal financial controls with reference to the Financial Statements, including monthly management reviews apart from statutory audit, internal audit and Standard Operating Procedures for all processes are adequate to the size and operations of the Company.

VIGIL MECHANISM

A Vigil Mechanism for Directors and Employees to report genuine concerns has been established by the Board along with the Whistle Blower Policy. The Company has also provided adequate safeguards against victimization of employees and Directors who expressed their concerns

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

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the Financial Year 2016-17, the Company has received no complaints of sexual harassment at workplace.

DIRECTOR'S RESPONSIBILITY STATEMENT

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2017 and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. A. Ramachandra Rao & Co., Joint Statutory Auditors of the company has completed the tenor of their appointment pursuant to section 139(1) and will retire at the ensuing Annual General Meeting and hence not eligible for re-appointment.

It is informed that M/s. B S R & Associates LLP., the Statutory Auditors of the company, retire at the ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for the financial year 2017-18 for auditing the books of Accounts subject to ratification of their appointment at every AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

Secretarial Auditors

Mrs M. Sridevi, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report for Financial Year 2016-17 is appended to this Report as Annexure VI.

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.

EXPLANATION OR COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

I. By the Statutory Auditor in his report :

i. Delay in statutory payments

S. No	Name of the statute	Nature of the dues	Amount in ₹ (excluding interest)	Period to which the amount relates	Due date	Paid subsequent to the year end
A	Tamil Nadu Value Added Tax Act, 2006	Sales tax	2,609,230	July 2012 to November 2012	20th of the subsequent month	Not paid till date

S. No	Name of the statute	Nature of the dues	Amount in ₹* (Paid under protest)	Period to which the amount relates	Forum where the dispute is pending
b	Income-tax Act, 1961	Income tax and interest thereon	1,683,215 (689,893)	Assessment year 2008 - 2009	Deputy Commissioner of Income Tax Hyderabad Circle 1(2)
c	Income-tax Act, 1961	Income tax and interest thereon	30,367,280 (30,322,382)	Assessment year 2012 - 2013	Commissioner of Income Tax (Appeals) V
d	Customs Act, 1962	Custom duty	2,901,295	Financial year 2015-16	Additional Commissioner of Customs (Imports)
e	Income-tax Act, 1961	Income tax and interest thereon	2,866,620 (2,866,620)	Assessment year 2010 – 2011	Commissioner of Income-tax (Appeals) V
f	Income-tax Act, 1961	Income tax and interest thereon	6,417,854 (6,417,854)	Assessment year 2011 - 2012	Commissioner of Income-tax (Appeals) V
g	Income-tax Act, 1961	Income tax and interest thereon	25,364,150 (25,364,150)	Assessment year 2013 - 2014	Commissioner of Income-tax (Appeals) V
h	Income-tax Act, 1961	Income tax and interest thereon	9,247,720 (9,247,720)	Assessment year 2014 - 2015	Commissioner of Income-tax (Appeals) V
i	Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	4,090,740	Financial year 2012-13 and 2013-14	Deputy Commissioner (CT)

* Amount in brackets in parenthesis represents amounts paid under protest.

ii. On observation:

The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. The Management has obtained an opinion from an independent legal counsel and is of the view that the cash collected in specified bank notes in the normal course of the business is covered under the ambit of exemption provided under clause (d) of the notification S.O.3408(E) dated 8 November 2016 issued by the Ministry of Finance, allowing the use of specified bank notes for purchase at milk booths operating under authorisation of the Central or State Governments until 15 December 2016 (originally 11 November 2016, amended by notifications issued from time to time). However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer note 2.41 to the standalone financial statements.

Explanation / Comments by the Board on

i. Delay in statutory payments

a. The sales tax department had not called for the assessment for the year 2012-13. The tax was paid however the methodology of payment for same is under dispute. The demand for the same shall be nullified accordingly.

b. The company had filed rectification form u/s 154 of Income Tax Act, 1961 before deputy commissioner of Income Tax. The Company is waiting for further response from the department.

c. The Company has received demand u/s 143(3) of Income Tax Act, 1961 for ₹ 3 Crore against which the company had filed appeal against said order before CIT V, Hyderabad. The Company has remitted the said amount in the month of November 2015. The Company has submitted returns with H'ble CIT and the Company is waiting for the final order to which a favourable order is expected.

d. In Financial year 2015-16 the Company has imported packing machine from China and while importing it was wrongly grouped under Dairy machinery hence the CVD paid was Nil, against which the customs department has issued show cause notice u/s 124 read with Sec. 128 of customs Act, 1962 for payment of CVD @ 12.5% against which the Company has filed a written submission before Additional commissioner of customs (Import I), Mumbai for payment of 6% CVD. We are expecting a favourable order.

e. The Company has received demand u/s 143(3) read with section 147 of Income Tax Act, 1961 for ₹ 0.28 Crores against which the company had filed appeal against said order before CIT V, Hyderabad. The Company has remitted the said amount in the month of January 2017. The Company has submitted returns with H'ble CIT and the Company is waiting for the final order to which a favourable order is expected.

f. The Company has received demand u/s 143(3) read with section 147 of Income Tax Act, 1961 for ₹ 0.64 Crores against which the company had filed appeal against said order before CIT V, Hyderabad. The Company has remitted the said amount in the month of January 2017. The Company has submitted returns with H'ble CIT and the Company is waiting for the final order to which a favourable order is expected

g. The Company has received demand u/s 143(3) read with section 92CA(3) of Income Tax Act, 1961 for ₹ 2.54 Crores against which the company had filed appeal against said order before CIT V, Hyderabad. The Company has remitted the said amount in the month of January 2017. The Company has submitted returns with H'ble CIT and the Company is waiting for the final order to which a favourable order is expected

h. The Company has received demand u/s 143(3) of Income Tax Act, 1961 for ₹ 0.92 Crores against which the company had filed appeal against said order before CIT V, Hyderabad. The Company has remitted the said amount in the month of January 2017. The Company has submitted returns with H'ble CIT and the Company is waiting for the final order to which a favourable order is expected

i. The Company has received a show-cause notice for payment of VAT on flavoured milk for FY 2012-13 & 2013-14 to the extent of ₹ 40 Lakhs in September 2016 for which the Company has responded. Based on the submissions by the Company, we are expecting a favourable order based on the submissions

ii. On observation

The Company has a record of denominations of the currencies deposited by the Company however the data pertaining to direct deposits by the customers is unavailable with the Company for which the Company has requested the bankers to provide the breakup of Specified bank notes and legal tender notes which were deposited in the bank during the demonetization period by the customers of the Company.

II. By Company Secretary in Practice in Secretarial Audit report :

a. During the financial year 2016-17 the actual CSR amount spent was ₹ 2,24,110/- as against an amount of ₹ 86,10,008/- (2% of Average net profit of preceding three financial year)which is required to be spent.

b. The Company has received notices from RBI with reference to its subsidiary namely Dodla Milk Processing Plc, Ethiopia, for non-compliances with regard to non-filings of Annual Performance Reports (APR) and 'report on disinvestment' with reference to Disinvestment which was under automatic route when the shares certificates were not received vide its letters dated 20th April, 2016 and 2nd January, 2017 respectively through AD Bank and further contravention notice was issued by the RBI for the above stated non-compliance vide letter dated 20th April, 2017 for which the company filed the compounding application to RBI vide letter dated 10th May, 2017, for regularisation of the stated noncompliance.

Explanation or comments by the Board

a. The Company has identified the sector i.e., 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) where the funds can be spent. The Company in 4th quarter has ordered for infrastructure facility to be provided in the school to the extent of ₹ 24 lakhs, however the invoice for the said infrastructure facility provided by the Company to the school were raised in 1st quarter of FY 2017-18. The CSR activities are scalable which coupled with new initiatives that are considered in future, moving forward the Company will endeavour to spend on CSR activities in accordance with the prescribed limits.

b. The violation of non-filing the APR and Non-reporting of share certificates with RBI is neither wilful nor with malafide intention and it was merely due to inadvertence. The Company had filed Compounding application with the RBI on 10 May 2017 for compounding of same. The company is yet to receive the Order.

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.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their sincere gratitude to the Government of India, Government of Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Maharashtra and Gujarat, Registrar of Companies - Andhra Pradesh and 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.

For and on behalf of the Board

Place : Hyderabad
Date : 16 August 2017

D. Sesha Reddy
Chairman

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

ANNEXURE INDEX

ANNEXURE NUMBER	DETAILS OF THE ANNEXURE
I	Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo
II	AOC 1 - Statement containing salient features of the financial statement of subsidiaries, associate companies, joint ventures
III	AOC 2 – particulars of contracts or arrangements with related parties
IV	Annual Return Extracts in MGT-9
V	Annual Report on Corporate Social Responsibility
VI	Secretarial Audit Report

ANNEXURE- I

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and outgo etc.,

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

(i) the steps taken or impact on conservation of energy : NA

(ii) the steps taken by the company for utilising alternate sources of energy : NA

(iii) the capital investment on energy conservation equipment's : NA

(B) Technology absorption:

(i) the efforts made towards technology absorption : NA

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution : NA

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : NA

a) the details of technology imported;

b) the year of import;

c) whether the technology been fully absorbed;

d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

(iv) the expenditure incurred on Research and Development : NA

Expenditure on R & D

S. No	Particulars	2016-17	2015-16
1	Capital	Nil	Nil
2	Recurring	Nil	Nil
3	Total	Nil	Nil
4	Total R&D expenditure as a percentage of total turnover	Nil	Nil

(C) Foreign exchange earnings and Outgo:

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Rule 5 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and outgo is:

Foreign Exchange Earnings and Outgo

	Current Year	Previous Year
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	673,097	3,691,727

ANNEXURE - II

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	Particulars	Details	Details
		US $	USH in '000
1.	Name of the subsidiary	Dodla Holdings Pte. Limited (WOS)	Lakeside Dairy Limited (SDS)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2016 to 31/03/2017	01/04/2016 to 31/03/2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD 64.7468	USH 0.01770
4.	Share capital	65,00,000	2,000,000
5.	Reserves & surplus	-178,624	-2,615,337
6.	Total assets	6,348,869	21,591,382
7.	Total Liabilities	27,493	22,206,719
8.	Investments	7,64,899	0
9.	Turnover	0	3,564,078
10.	Profit before taxation	190,349	-1957403
11.	Provision for taxation	0	545,859
12.	Profit after taxation	165,389	-1,411,544
13.	Proposed Dividend	0	0
14.	% of shareholding	100%	0%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	Global Vetmed Concepts India Private Limited
1. Latest audited Balance Sheet Date	31 March 2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	3,866,923
Amount of Investment in Associates/Joint Venture	38,669,230
Extend of Holding%	48%
3. Description of how there is significant influence	As a Director
4. Reason why the associate/joint venture is not consolidated	It is consolidated as an Associate
5. Net worth attributable to shareholding as per latest audited Balance Sheet	39,770,719
6. Profit/Loss for the year	(2,773,427)
i. Considered in Consolidation	Yes
ii. Not Considered in Consolidation	NA

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: **Dodla Milk Processing Plc – Ethiopia:**

During the year 2014-15, the Board of directors of the Company has decided to wind up Dodla Milk Processing Plc since it does not intend to pursue the business opportunities in Ethiopia and it stands dissolved on 24 November 2015. Shares of Dodla Milk Processing Plc were not allotted to the Company.

Subsequently, the Company had initiated process of settling the dues and repatriating the funds to India and has received ₹ 13,534,264, which was deposited in nostro account with Authorised dealer. The Company is required to obtain approval from Reserve Bank of India ('RBI') to utilise these funds.

Accordingly, the Company had made necessary application with RBI, who in turn has issued a letter to the Company intimating the contravention made by the Company and advised the Company to file an application for compounding of the contraventions. The Company has filed the requisite applications to the RBI for compounding of the contraventions. Further, Management of the Company expects the offence to be compounded. The Company has provided for balance amount of ₹ 2,299,566 lying in share application money and not repatriated, which has been incurred on winding up activities of this subsidiary.

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis:

The following material contracts or arrangements or transactions entered in to during the year ended 31 March 2017, which were at arm's length basis as mentioned below:

Name of the Related Party	Nature of Relationship	Salient Terms	Amount in ₹
Dodla Dairy, Vinjumur	Enterprise over which KMP have significant influence	Lease Rent paid	12,00,000
Surekha Milk Chilling Centre	Enterprise over which KMP have significant influence	Lease Rent paid	9,00,000
Global Vetmed Concept Private Limited ('GVC')	Enterprise over which KMP have significant influence	Revenue Sharing	6,240,860
D Sesha Reddy	Director	Consultancy Fees	36,00,000
D Silpa Reddy	Relative of KMP	Consultancy Fees	50,000
Oremus Corporate Services Pvt Ltd (Inclusive Tax)	Enterprise over which KMP have significant influence	Consultancy Fees	1,034,250
D Soft India Private Limited	Enterprise over which KMP have significant influence	Consultancy Fees	600,000
Lakeside Dairy Limited	Enterprise over which KMP have significant influence	Expenses incurred	1,565,761

Note:

1. All the above transactions were approved by the Members of Audit Committee and by the Board of Directors of the Company
2. In the Previous financial year, it was erroneously mentioned in this form that the above transactions were not at arm's length basis however it is clarified that all the above transactions entered in in FY 2016 were also on arm's length basis.

(DODLA SESHA REDDY)
Chairman
DIN: 00520448

(DODLA SUNIL REDDY)
Managing Director
DIN: 00794889

ANNEXURE- IV

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.3.2017
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN [(Section 134 (3) (a)]

I. REGISTRATION AND OTHER DETAILS:

S. No	Particulars	Details
i.	CIN	U15209TG1995PLC020324
ii.	Registration date	020324
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 - 500 033, Telangana India; Tel No.: 040-45467777
vi.	Whether listed Company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Karvy Registry House, 8-2-596, St. No. 1, Banjara Hills, Hyderabad - 500 034, Telangana, India ; Tel: +91 40 2331 2454

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)	100

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.	Global Vetmed Concepts India Private Limited	U15400TG2009PTC063052	Associate	48	2(6)

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~~	23,65,000	Nil	23,65,000	72.21	24,99,999	Nil	24,99,999	76.337	Nil
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.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):	**23,65,000**	**Nil**	**23,65,000**	**72.21**	**24,99,999**	**Nil**	**24,99,999**	**76.337**	**Nil**
(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)	**23,65,000**	**Nil**	**23,65,000**	**72.21**	**24,99,999**	**Nil**	**24,99,999**	**76.337**	**Nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
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	7,74,823	Nil	7,74,823	23.6	7,74,823	Nil	7,74,823	23.6	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):	**7,74,823**	**Nil**	**7,74,823**	**23.6**	**7,74,823**	**Nil**	**7,74,823**	**23.6**	**Nil**

2. Non-Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
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									
c) Others (specify)	1,35,000	Nil	1,35,000	4.1	01	Nil	01	0.1	Nil
Sub-total (B)(2):	**1,35,000**	**Nil**	**1,35,000**	**4.1**	**01**	**Nil**	**01**	**0.1**	**Nil**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**9,09,823**	**Nil**	**9,09,823**	**27.7**	**7,74,824**	**Nil**	**7,74,824**	**23.6**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**32,74,823**	**Nil**	**32,74,823**	**100**	**7,74,824**	**Nil**	**7,74,824**	**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	D. Sunil Reddy	8,32,124	25.41	0	8,32,124	25.41	0	NIL
2	D. Girija Reddy	8,22,120	25.10	0	8,22,120	25.10	0	NIL
3	D. Deepa Reddy	3,63,256	11.09	0	3,63,256	11.09	0	NIL
4	D. Sesha Reddy	10,001	0.40	0	1,45,000	4.43	0	4.03
5	D. Subba Reddy	3,37,499	10.31	0	3,37,499	10.31	0	NIL
	TOTAL	**23,65,000**	**72.31**	**0**	**23,65,000**	**72.31**	**0**	**4.03**

iii) Change in promoter's shareholding (please specify if there is no change)

Name of the Promoter	Shareholding at the beginning of the year		Cumulative shareholding during the year	
Dodla Sesha Reddy	**No. of Shares**	**% of total shares of the Company**	**No. of shares**	**% of total shares of the Company**
At the beginning of the year	10,001	0.30	10,001	0.30
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. ~~allotment~~ / transfer / ~~bonus~~ etc)	1,34,999 (on 28 August 2016)	4.13	1,43,999	4.13
At the end of the year	1,45,000	4.43	1,45,000	4.43

iv) 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**
Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd				
At the beginning of the year	7,74,823	23. 66%	7,74,823	23. 66%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus etc)	-	-	-	-
At the end of the year	7,74,823	23. 66%	7,74,823	23.66%
D. Padmavathamma				
At the beginning of the year	1,35,000	4.13	1,35,000	4.13
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. ~~allotment~~ / transfer / ~~bonus~~ etc)	1,34,999 (on 28 August 2016)	4.13	1,43,999	4.13
At the end of the year	01	0.0	01	0.0

* On 20 July 2017, Black river has transferred their entire holding to TPG

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and 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
D. Sunil Reddy				
At the beginning of the year	8,32,124	25.40	8,32,124	25.40
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus etc)	-	-	-	-
At the End of the year	8,32,124	25.40	8,32,124	25.40
D. Sesha Reddy				
At the beginning of the year	10,001	0.30	10,001	0.30
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus etc)	1,43,999 (on 28 August 2016)	4.13	1,43,999	1,43,999
At the End of the year	1,45,000	4.43	1,45,000	4.43

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	93,10,58,520	10,00,00,000	0	1,03,10,58,520
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	5,380,192	0	0	5,380,192
Total of (i + ii + iii)		**10,00,00,000**	**0**	
Change in Indebtedness during the financial year				
Addition	35,23,12,929			
Reduction		(10,00,00,000)		
Net Change	**35,23,12,929**	**(10,00,00,000)**	**0**	
Indebtedness at the end of the financial year				
i) Principal Amount	1,28,33,71,449	0	0	1,28,33,71,449
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4,625,148	0	0	
Total of (i + ii + iii)			**0**	**0**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager:

Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
	Managing Director	Whole-time Director	Manager	
Gross salary				
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,01,00,004	-	-	2,01,00,004
b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,057,498			5,057,498
c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-			-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission				
- as % of profit				
- others, specify				
Others, Performance Incentive / Bonus	-	-	-	-
Total (A)	**25,157,502**	**-**	**-**	**25,157,502**
Ceiling as per the Act	3%			

B. Remuneration to other directors:

1. Independent Directors

(Amount in ₹)

Particulars of Remuneration	Name of Directors		Total Amount
	Kishore M	Divya P	
Fee for attending board / committee meetings	10,00,000	5,00,000	15,00,000
Commission	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil
Total (1)	**10,00,000**	**5,00,000**	**15,00,000**

2. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors			Total Amount
	D. Sesha Reddy	Deepak Malik	James David Sayre	
Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil
Others (Consultancy Fee)	36,00,000	Nil	Nil	Nil
Total (2)	36,00,000	Nil	Nil	36,00,000
Total (B)=(1+2)				**51,00,000**
Total Managerial Remuneration				
Overall Ceiling as per the Act				NA

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

Particulars of Remuneration	Key Managerial Personnel			Total
	CS	CEO	CFO	
Gross salary			No CFO Appointed	
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	627,286	1,57,24,000		16,351,286
b) Value of perquisites u/s 17(2) Income-tax Act, 1961		7,800,000		
c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
Stock Option		-		Nil
Sweat Equity		-		Nil
Commission				
- as % of profit				
- others,				
Others, Performance Incentive		-		Nil
Total	**627,286**	**23,524,000**		**24,151,286**

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]	Appeal 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

(Dodla Sunil Reddy)
Managing Director
DIN: 00794889

(Ruchita Malpani)
Company Secretary
M.No: A32883

ANNEXURE - V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. Brief Outline of the CSR Policy

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 the Committee

Dodla Sesha Reddy	Chairman
*Deepak Malik	Member
# Akshay Tanna	Member
Kishore Mirchandani	Member
Ponnavolu Divya	Member

* Ceased as Member with effect from 20 July 2017

appointed as Member with effect from 21 July 2017

3. The average net profit of the company for last three financial years:

Financial Year	Amount in ₹
2013-14	374,982,785
2014-15	155,901,109
2015-16	760,617,249
Total	1,291,501,143
Average	430,500,381
2% of Net Profit	8,610,008

4. Prescribed CSR Expenditure: ₹ 8,610,008 /-

5. Details of CSR Spent During The Financial Year

a. Total amount to be spent for the financial year: ₹ 8,610,008 /-

b. Amount unspent, if any: ₹ 8,385,898/-

c. Manner in which the amount spent during the financial year is detailed below.

S. No	PARTICULARS	DETAILS
1	CSR project or activity Identified.	Rural development projects
2	Sector in which the Project is covered	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
3	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Chittoor and Nellore district of the State of Andhra Pradesh
4	Amount outlay (budget) project or programs wise To develop Zilla parishad school in Mahmuddapuram, Nellore District.	₹ 75,00,000
5	Amount spent on the projects or Programs Subheads:	
	(1) Direct expenditure on projects or programs.	₹ 2,24,110
	(2) Overheads:	Nil
6	Cumulative expenditure up to the reporting period	₹ 2,24,110
7	Amount spent: Direct or through implementing agency	Direct

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its board report:

The various activities to be performed on the ground and the team identification for execution of CSR activities are in progress. The Company is in process of identifying the people with passion for doing the said activities. The Company in 4th quarter has ordered for infrastructure facility to be provided in the school to the extent of ₹ 24 lakhs, however the invoice for the said infrastructure facility provided by the Company to the school were raised in 1st quarter of FY 2017-18.

In addition to this, the Company has initiated the process of creating a trust to spend the funds on CSR activities which is in progress. Also the Company is in the process of identifying the locations / beneficiaries to spend the funds allocated for the CSR activities.

Once the trust is created and all process is in line, the Company will endeavour to spend on CSR activities in accordance with the prescribed limits.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company

We hereby confirm that implementation and monitoring of the CSR Policy are in compliance with the CSR objectives and CSR Policy of the Company.

(DODLA SUNIL REDDY)
Managing Director
DIN: 00794889

(DODLA SESHA REDDY)
Chairman CSR Committee
DIN: 00739535

ANNEXURE VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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,
8-2-293/82/A/270-Q, Road No 10-C, Jubilee hills,
Hyderabad, Telangana – 500 033

I 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: U15209TG1995PLC020324.** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2017** 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Dodla Dairy Limited** (“the Company”), an **Unlisted Public Company** for the financial year ended on **31st March, 2017** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) Other laws applicable to the company as provided by the management as mentioned below:

- Employees State Insurance Act, 1948 and Employees’ State Insurance (General) Regulations, 1950;
- Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees’ Provident Funds Scheme, 1952;
- Payment of Bonus Act,1965 and the Payment of Bonus Rules, 1965;
- Employment Exchanges(Compulsory Notification of Vacancies) Act,1959
- Contract Labour (Regulation and Abolition) Act,1970 and the Contract Labour (Regulation and Abolition) Central Rules,1971;
- Factories Act, 1948 and the rules made thereunder;
- A.P. Shops and Establishment Act, 1988 and various respective State laws;
- Water (Prevention and Control of Pollution) Act, 1974
- Air (Prevention and Control of Pollution) Act, 1981
- Environment Protection Act, 1986
- Public Liability Insurance Act,1991
- Indian Boilers Act, 1923
- Explosives Act, 1884
- Legal Metrology
- Infant Milk Substitutes, Feeding Bottles and Infant Foods(Regulation of Production Supply and Distribution) Act, 1992
- Livestock Importation Act, 1898
- Agricultural Produce(Grading and Marketing) Act, 1937
- Bureau of Indian Standards (BIS) Act, 1986

- Export of Milk Products(Quality Control, Inspection and Monitoring) Rules 2000
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

I 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 except to the extent as mentioned below **Observations:**

1. **During the financial year 2016-17 the actual CSR amount spent was ₹ 2,24,110/- as against an amount of ₹ 86,10,008/- (2% of Average net profit of preceding three financial year)which is required to be spent.**

2. **The Company has received notices from RBI with reference to its subsidiary namely Dodla Milk Processing Plc, Ethiopia, for non compliances with regard to non-filings of Annual Performance Reports (APR) and 'report on disinvestment' with reference to Disinvestment which was under automatic route when the shares certificates were not received vide its letters dated 20th April, 2016 and 2nd January, 2017 respectively through AD Bank and further contravention notice was issued by the RBI for the above stated non compliance vide letter dated 20th April, 2017 for which the company filed the compounding application to RBI vide letter dated 10th May, 2017, for regularisation of the stated noncompliance.**

I 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.

I 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.

I 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

Sridevi Madati
Partner
M.No.F6476
COP 11694

Date:16 August 2017
Place: Hyderabad

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. I 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. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Sridevi Madati
Partner
M.No.F6476
COP 11694

Date:16 August 2017
Place: Hyderabad

Independent Auditors' Report on the Standalone Financial Statements

To the Members of DODLA DAIRY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Dodla Dairy Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the 'standalone financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 except as discussed under para (iv) of clause (h) below;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except as discussed under para (iv) of clause (h) below;

   c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) the matter described under para (iv) of clause (h) below, in our opinion, may have an adverse effect on the functioning of the Company;

f) on the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and

h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations as at 31 March 2017 on its financial position in Note 2.26 and 2.27(ii) to the standalone financial statements;

   ii. the Company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2017;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2017; and

   iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. The Management has obtained an opinion from an independent legal counsel and is of the view that the cash collected in specified bank notes in the normal course of the business is covered under the ambit of exemption provided under clause (d) of the notification S.O.3408(E) dated 8 November 2016 issued by the Ministry of Finance, allowing the use of specified bank notes for purchase at milk booths operating under authorisation of the Central or State Governments until 15 December 2016 (originally 11 November 2016, amended by notifications issued from time to time). However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer note 2.41 to the standalone financial statements.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W100024

Vikash Somani
Partner
Membership No. 061272

for A.Ramachandra Rao & Co.
Chartered Accountants
ICAI Firm Registration Number: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Place: Hyderabad
Date: 16 August 2017

Annexure- A to the Independent Auditors' Report on the Standalone Financial Statements

The Annexure-A referred to in the Independent Auditors' Report of even date, on the Standalone Financial Statements, to the Members of Dodla Dairy Limited ('the Company') for the year ended 31 March 2017, 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, except for certain assets which are in the possession of vendors. The Company has obtained confirmation of these assets from the vendors. 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 immovable properties, as disclosed in Note 2.9 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) The Company has granted an unsecured loan during the year 2015-16 to one party covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to any companies, firms or limited liability partnerships covered in the Register maintained under the Section 189 of the Act.

(a) The Company has not granted any loan during the current year, Therefore, the provisions of Clause 3 (iii)(a) of the said Order is not applicable to the Company.

(b) In respect of the aforesaid loan, the schedule of repayment of principal and payment of interest has been stipulated and the party is repaying the principal amounts, as stipulated, and is also regular in payment of interest as applicable.

(c) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the loans and investments made. The Company has not provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.

(v) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and the Rules framed thereunder. Accordingly, paragraph 3(v) of the 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 records.

(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, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in the payment of Provident fund and Income-tax. Employees' state insurance have not generally been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases. As explained to us, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount in ₹ (excluding interest)	Period to which the amount relates	Due date	Paid subsequent to the year end
Tamil Nadu Value Added Tax Act, 2006	Sales tax	2,609,230	July 2012 to November 2012	20th of the subsequent month	Not paid till date

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

Name of the statute	Nature of the dues	Amount in ₹ *	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income tax and interest thereon	1,683,215 (689,893)	Assessment year 2008 – 2009	Deputy Commissioner of Income-tax Hyderabad Circle 1(2)
Income-tax Act, 1961	Income tax and interest thereon	30,367,280 (30,322,382)	Assessment year 2012 – 2013	Commissioner of Income-tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	2,866,620 (2,866,620)	Assessment year 2010 – 2011	Commissioner of Income-tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	6,417,854 (6,417,854)	Assessment year 2011 – 2012	Commissioner of Income-tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	25,364,150 (25,364,150)	Assessment year 2013 – 2014	Commissioner of Income-tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	9,247,720 (9,247,720)	Assessment year 2014 – 2015	Commissioner of Income-tax (Appeals) V
Customs Act, 1962	Custom duty	2,901,295 2015-2016	Financial year	Additional Commissioner of Customs (Imports)
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	4,090,740	Financial year 2012-13 and 2013-14	Deputy Commissioner (CT)

* Amount in brackets in parenthesis represents amounts paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers. The Company does not have any loans or borrowings from any financial institution or government, nor has it issued any debentures during the year.

(ix) In our opinion and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the 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) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is 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, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Note 2.34 to the standalone financial statements as required under Accounting Standard (AS) 18, Related party disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) 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 person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) 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 Order is not applicable to the Company.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W100024

Vikash Somani
Partner
Membership No. 061272

for A.Ramachandra Rao & Co.
Chartered Accountants
ICAI Firm Registration Number: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Place: Hyderabad
Date: 16 August 2017

Dodla Dairy Limited

Annexure- B to the Independent Auditors' Report on the Standalone Financial Statements

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Dodla Dairy Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting 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 ICAI.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W100024

Vikash Somani
Partner
Membership No. 061272

for A.Ramachandra Rao & Co.
Chartered Accountants
ICAI Firm Registration Number: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Place: Hyderabad
Date: 16 August 2017

Balance sheet

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

	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	32,748,230	32,748,230
Reserves and surplus	2,853,546,665	2,409,200,909
	2,886,294,895	**2,441,949,139**
Government grants	3,233,734	3,452,420
Non-current liabilities		
Long-term borrowings	315,000,000	323,791,450
Deferred tax liabilities, net	119,886,119	86,997,302
Other long-term liabilities	-	-
Long-term provisions	88,664,234	52,934,360
	523,550,353	**463,723,112**
Current liabilities		
Short-term borrowings	968,371,449	707,267,070
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	7,510	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	398,779,996	353,786,145
Other current liabilities	367,530,151	286,022,501
Short-term provisions	116,359,543	99,520,082
	1,851,048,649	**1,446,595,798**
TOTAL	**5,264,127,631**	**4,355,720,469**
ASSETS		
Non-current assets		
Fixed assets		
Tangible fixed assets	2,331,306,937	1,598,434,863
Intangible fixed assets	2,828,525	1,780,365
Capital work-in-progress	304,632,928	357,009,570
Non-current investments	407,841,665	340,074,165
Long-term loans and advances	381,126,774	407,854,266
Other non-current Assets	500,000	-
	3,428,236,831	**2,705,153,229**
Current assets		
Current investments	641,051,222	609,791,158
Inventories	828,176,545	891,487,532
Trade receivables	5,259,408	5,074,599
Cash and cash equivalents	69,378,864	91,843,422
Short-term loans and advances	285,759,555	39,786,150
Other current assets	6,265,206	12,584,379
	1,835,890,800	**1,650,567,240**
TOTAL	**5,264,127,631**	**4,355,720,469**

Significant accounting policies

Notes to the standalone financial statements

The notes referred to above form 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

Vikash Somani
Partner
Membership No. 061272

for A. Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Registration no: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Place: Hyderabad
Date: 16 August 2017

for Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

Ruchita Malpani
Company Secretary

Place: Hyderabad
Date: 16 August 2017

Statement of profit and loss

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations		
Sale of products	14,107,660,768	11,809,336,606
Sale of services	1,191,283	5,094,049
Other operating revenue	5,810,145	5,665,494
Total	14,114,662,196	11,820,096,149
Other income	44,996,724	55,900,857
Total income	**14,159,658,920**	**11,875,997,006**
Expenses		
Cost of materials consumed	10,959,906,665	8,788,403,426
Purchase of stock-in-trade	-	27,462,454
Changes in inventories of finished goods, work-in-progress and stock-in-trade	199,108,295	289,882,192
Manufacturing expenses		
Employee benefits expense	522,051,661	456,854,390
Finance costs	80,297,005	121,775,515
Depreciation and amortisation	189,056,169	158,716,986
Add: Transfer from government grant	(218,686)	(218,686)
Other expenses	1,542,207,656	1,271,444,614
Provision for impairment on live stock	7,807,926	21,103,303
Tangible fixed assets	7,807,926	
Capital work-in-progress	-	
Total expenses	**13,500,216,693**	**11,135,424,194**
Profit before tax	**659,442,228**	**740,572,812**
Tax expense:		
- Current tax	182,632,655	242,253,006
- MAT Credit (entitlement)		-
- Tax for earlier years	-	142,268,110
- Deferred tax charge	32,888,817	295,972
- Deferred tax charge in respect of earlier years		
	215,521,472	**384,817,088**
Profit for the year	**443,920,756**	**355,755,724**
Earnings per equity share (par value of ₹ 10 per share)		
Basic & diluted	135.56	108.63

Significant accounting policies

Notes to the standalone financial statements

The notes referred to above form 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

Vikash Somani
Partner
Membership No. 061272

for A. Ramachandra Rao & Co
Chartered Accountants
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D. Sesha Reddy
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D. Sunil Reddy
Managing Director
DIN: 00794889

Ruchita Malpani
Company Secretary

Place: Hyderabad
Date: 16 August 2017

Place: Hyderabad
Date: 16 August 2017

Cash flow statement

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
I. Cash flow from operating activities		
Profit before tax	659,442,228	740,572,812
Adjustments:		
Depreciation and amortisation	189,056,169	158,716,986
Transfer from Government grant	(218,686)	(218,686)
Interest income	(3,235,570)	(2,855,603)
Dividend income from investment in mutual funds	(19,557,032)	(23,033,478)
Net profit on sale of investments in mutual funds	(14,947,184)	(23,158,785)
Net loss on sale/ retirement of fixed assets	3,289,935	4,123,221
Provision for impairment on live stock	7,807,926	21,103,303
Reversal of provision for diminution in the value of investment in mutual funds	(411,418)	(532,994)
Reversal of provision for doubtful advances	-	(38,023,719)
Provision for other than temporary diminution in the value of non-current investment	-	38,669,230
Finance cost	80,297,005	121,775,515
Unrealised foreign exchange loss, net	(1,146,885)	3,731,471
Operating cash flows before working capital changes	**900,376,488**	**1,000,869,273**
(Increase)/ decrease in trade receivables	(184,808)	6,441,798
Decrease in inventories	63,310,987	525,170,700
(Increase)/ decrease in loans and advances	(261,133,183)	41,679,228
Increase in liabilities and provisions	125,871,270	68,007,193
Cash generated from operations	**828,240,753**	**1,642,168,192**
Income taxes paid, net of refunds	(219,060,554)	(335,999,158)
Net cash generated from operating activities (A)	609,180,199	1,306,169,034
II. Cash flows from investing activities		
Purchase of fixed assets, change in capital work-in-progress, and capital advances	(750,262,336)	(901,339,563)
Proceeds from sale of fixed assets	2,272,906	303,534
Investment in subsidiary	(67,767,500)	(65,961,535)
Investment in associate	-	(17,669,230)
Investment in mutual funds	(260,883,032)	(346,197,429)
Redemption of mutual fund	244,981,570	332,328,277
Refund of share application money pending allotment - Dodla Milk Processing Plc - Ethiopia	-	12,435,758
Deposits matured/ (placed) (having original maturity of more than 3 months)	(500,000)	2,405,000
Deposits matured (having original maturity of more than 3 months)	-	-

	For the year ended 31 March 2017	For the year ended 31 March 2016
Dividend received from investment in mutual funds	19,557,032	23,033,478
Interest received	3,151,058	2,709,657
Net cash used in investing activities (B)	(809,450,302)	(957,952,053)
III. Cash flow from financing activities		
Issue of equity shares	-	-
Premium on issue of equity shares	-	-
Redemption of preference shares	-	-
Premium on redemption of preference shares	-	-
Receipt of long term borrowings from banks	70,000,000	300,000,000
Repayment of long term borrowing to banks	(54,071,363)	(49,628,733)
Dividend paid (including dividend distribution tax)	-	(98,537,498)
Receipt of government grant	425,000	15,000,000
Receipt/ (Repayment) of short term borrowings, net	261,104,379	(424,883,020)
Interest paid	(99,652,471)	(108,566,579)
Net cash generated from/ (used in) financing activities (C)	**177,805,545**	**(366,615,830)**
Net decrease in cash and cash equivalents (A+B+C)	(22,464,558)	(18,398,849)
Cash and cash equivalents at the beginning of the year	91,843,422	110,242,271
Cash and cash equivalents at the end of the year (refer note 2.16)	**69,378,864**	**91,843,422**
Note:		
Components of cash and cash equivalents:		
	As at 31 March 2017	**As at 31 March 2016**
Cash on hand	18,544,144	12,795,057
Balances with banks		
- in current accounts#	50,834,720	79,048,365
	69,378,864	**91,843,422**

Current account balances with banks include funds which are not freely available amounting to ₹ 13,534,264 (previous year: ₹ 13,534,264) (refer note 2.34(c))

The notes referred to above form 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

Vikash Somani
Partner
Membership No. 061272

for A. Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Registration no: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Place: Hyderabad
Date: 16 August 2017

for Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

Ruchita Malpani
Company Secretary

Place: Hyderabad
Date: 16 August 2017

1. Significant accounting policies

1.1 Company overview

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.

1.2 Basis of preparation of financial statements

The standalone financial statements of the Company have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Act. These financial statements have been prepared and presented in Indian rupees.

Ministry of Corporate Affairs, vide its Notification No. G.S.R. 364 (E) dated 30 March 2016, has issued Companies (Accounting Standards) Amendment Rules 2016, amending or replacing the existing accounting standards. These standards are applicable from financial year beginning on or after 1 April 2016.

Amended Accounting Standards are as follows:

(a) Valuation of Inventories (AS 2);

(b) Contingencies and Events Occurring After the Balance Sheet Date (AS 4);

(c) Accounting for Investments (AS 13);

(d) Consolidated Financial Statements (AS 21); and

(e) Provisions, Contingent Liabilities and Contingent Assets (AS 29).

Omitted Accounting Standard is as follows:

(a) Depreciation Accounting (AS 6)

Revised/ replaced Accounting Standard is as follows:

(a) 'Property, Plant and Equipment' replaced 'Accounting for Fixed Assets'(AS 10)

The Company has adopted aforesaid revised/ new accounting standards with effect from 1 April 2016. However, the adoption of above standards did not have a material impact on the standalone financial statements of the Company.

1.3 Use of estimates

The preparation of standalone financial statements in conformity with Indian Generally Accepted Accounting Policies (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.4 Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 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.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting 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

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

1.5 Property, Plant and Equipment and depreciation

Property, plant and equipment are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of property, plant and equipment comprises the purchase price, non-refundable taxes, duties, freight and other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition or construction of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised.

The cost of property, plant and equipment acquired but not ready for their intended use before balance sheet date are disclosed as capital work-in-progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are included in long-term loans and advances.

Depreciation

With effect from 1 April 2014, the Management has re-assessed and revised the estimated useful life of the tangible property, plant and equipment as specified in Schedule II to the Companies Act, 2013. Depreciation on property, plant and equipment is provided using the Straight Line Method ('SLM') over the useful life of assets estimated by the Company. 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 property, plant and equipment has been provided at the rates based on the following useful lives of property, plant and equipment as estimated by the Management:

Description*	**Useful life in years**
Laboratory equipment	3 years
Temporary Structures	1 year

*for this 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.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or otherwise disposed off.

Leasehold improvements are amortised over the primary period of the lease or estimated useful life of the asset, whichever is lower.

1.6 Intangible assets and amortisation

Acquired intangible assets are recorded at the consideration paid for acquisition.

Software is amortised on straight line basis over a period of three years.

1.7 Livestock

The Lactating cow (matured asset) purchased is initially recognised at the acquisition cost plus other costs (e.g. freight) required to bring it to the intended condition and location.

For the animals reared from conception (calf) and heifer, which are brought to maturity to make those animals productive, the cost comprises the following items:

(i) The cost of calving;

(ii) The cost of the fodder and cereals etc. that the calf or the young animal consumes till maturity; This will also include the cost of the milk that the calf is allowed to consume which otherwise would have been available for sale;

(iii) A suitable share of the overheads comprising cost of water, supervision, maintenance of sheds and manure pits, medicines, veterinary surgeon's fees, etc. less sale proceeds or value of manure. The appropriate method of apportioning the overheads is allotment of appropriate weights to the various categories of animals in terms of their age.

Thus, the cost of a newborn calf is initially represented by (i) above and increases over the maturity period by the amounts stated in (ii) and (iii) above.

These costs are accumulated under capital work-in-progress till the calf matures and is ready for producing milk at which time the amount is recognised as livestock under tangible assets.

Where a calf is purchased and then reared, the cost comprise the purchase price, freight inwards and the costs listed at (ii) and (iii) above. If at the time of purchase, the animal has attained maturity, the purchase price plus freight is considered as its cost.

The initial cost of purchased heifer is the total of the purchase price and costs incurred to bring them to the location of use. Subsequently, the cost is increased by expenses mentioned at (ii) and (iii) above.

After purchase of lactating cow or after the calf/heifer reaches maturity, the subsequent costs (fodder, overheads, etc) of maintaining the cow are recognised as expense in the statement of profit and loss.

Depreciation on live stock

The strength or the earning capacity of the animal is higher in the initial years and remains constant for some time thereafter. Depreciation is commenced when animal achieves maturity and is charged on a straight line method over the estimated (balance) life of the animal which is estimated as 5 years. Disposal value at the end of the life is taken as nil because the carcass does not fetch anything substantial. Also, the removal of carcass does not usually involve significant cost.

When an animal dies, its carrying value is written off in the statement of profit or loss in the period in which such animal dies.

1.8 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Non-current investments are carried at cost less, any other than temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist.

Current investments are carried at the lower of cost and fair value.

1.9 Inventories

Inventories comprise of raw 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.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, stock-in-trade and stores and spares are valued at weighted average cost method.

Work-in progress and finished goods are valued at material cost plus fixed production overheads allocated on the basis of normal capacity of production facilities.

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 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.

1.10 Government grants

Government grants are recognised only when it is reasonably certain that the Company will comply with the attached conditions and the ultimate collection is not in doubt.

Where the government grants are in the nature of promoter's contribution and no repayment is ordinarily expected in respect thereof, the grants are treated as Capital Reserve which can be neither distributed as dividend nor considered as deferred income.

Where the government grants relate to specific property, plant and equipment, the grants are treated as deferred government grant and are recognised in the statement of profit and loss in proportion to the depreciation charge over the useful life of the asset.

1.11 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

<u>Post employment benefits</u>

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company contributes to the recognised provident fund which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which employees renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the statement of profit and loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

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, portion of the benefit is classified as a long-term employee benefit. Compensated absences, is accrued based on the actuarial valuation done as per projected unit credit method as at the balance sheet, carried out by an independent actuary.

1.12 Foreign exchange transactions

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

All monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Pursuant to ICAI Announcement "Accounting for derivatives" on the early adoption of Accounting Standard – 30 "Financial Instruments: Recognition and Measurement", the Company has adopted the standard, to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements. Mark to market losses and gains on other derivative contracts are recognised in the statement of profit and loss.

1.13 Revenue recognition

Revenue from sale of goods in the ordinary course of activities is recognised on transfer of significant risks and rewards of the ownership to customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection.

The amount of revenue recognised is net of sales returns, trade discount and VAT, wherever applicable.

Income from conversion service is recognised on accrual basis and based on the terms and conditions of the relevant agreement.

Dividend income is recognised in the year in which the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

1.14 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

1.15 Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are reflected as other long-term liabilities. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

1.16 Income tax

Income tax comprises current tax, deferred tax and Minimum Alternate Tax (MAT) credit entitlement.

Current tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax:

Deferred tax charges or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Minimum Alternate Tax (MAT)

MAT credit entitlement represents the amounts paid in a year under Section 115JB of the Income Tax Act, 1961 ('IT Act'), which is in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off in future periods in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT credit receivable", in the balance sheet with a corresponding credit to the statement of profit and loss, as a separate line item.

Such assets are reviewed at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

1.17 Borrowing costs

Borrowing cost directly attributable to the acquisition/ construction of the qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred in the statement of profit and loss.

1.18 Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.

1.19 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.20 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash in hand and balance in bank in current accounts and deposit accounts. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.21 Cash flow statement

Cash flow statement are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Notes to the Standalone Financial Statements

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

2.1 Share capital	As at 31 March 2017	As at 31 March 2016
Authorised		
6,000,000 (previous year: 6,000,000) equity shares of ₹ 10 each	60,000,000	60,000,000
Nil (previous year: Nil) redeemable preference shares of Rs.10 each	-	-
	60,000,000	**60,000,000**
Issued, subscribed & paid up share capital		
3,274,823 (previous year: 3,274,823) equity shares of ₹10 each fully paid up	32,748,230	32,748,230
Nil (previous year: 300,000) 0.001% redeemable preference shares of Rs.10 each	-	-
	32,748,230	**32,748,230**

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	3,274,823	32,748,230	3,274,823	32,748,230
Issued during the year	-	-	-	-
Outstanding at the end of the year	**3,274,823**	**32,748,230**	**3,274,823**	**32,748,230**
(ii) Compulsorily redeemable preference shares				
At the commencement of the year	-	-	-	-
Shares redeemed during the period	-	-	-	-
Outstanding at the end of the year	-	-	-	-

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

The Company has a single class of equity shares as at 31 March 2017 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, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by equity shareholders.

(ii) Compulsorily redeemable preference shares:

The Company had issued 0.001% compulsorily redeemable preference shares of ₹10 each, at par. Preference shares carried a preferential right as to dividend over equity shareholders. In the previous year the terms of compulsorily redeemable preference shares were changed and all these shares were redeemed at a premium of ₹490 per share.

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

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of shares	%	Number of shares	%
Mr. D. Sunil Reddy	832,124	25.41	832,124	25.41
Mrs. D. Girija Reddy	822,120	25.10	822,120	25.10
Mrs. D. Deepa Reddy	363,256	11.09	363,256	11.09
Mr. D. Subba Reddy	337,499	10.31	337,499	10.31
Black River Capital Partners Food Fund Holdings (Singapore) PTE LTD	774,823	23.66	774,823	23.66

Notes to the Standalone Financial Statements

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

2.2	Reserves and surplus	As at 31 March 2017	As at 31 March 2016
	Capital reserve		
	Balance at the beginning of the year	17,000,000	2,000,000
	Add: Grant received from Ministry of Food Processing Industries*	-	15,000,000
	Add: Grant received for non depreciable asset	425000	-
	Balance at the end of the year	**17,425,000**	**17,000,000**
	Capital redemption reserve		
	Balance at the beginning and end of the year	12,000,000	12,000,000
		12,000,000	**12,000,000**
	Securities premium account		
	Balance at the beginning and end of the year	1,092,251,770	1,092,251,770
		1,092,251,770	**1,092,251,770**
	Surplus i.e. balance in statement of profit and loss		
	Balance at the beginning of the year	1,287,949,139	1,030,730,913
	Add: Profit for the year	443,920,756	355,755,724
		1,731,869,895	**1,386,486,637**
	Appropriations		
	Interim dividend on equity shares [₹ Nil per share (previous year: ₹ 25 per share)]#	-	81,870,575
	Dividend distribution tax	-	16,666,923
		-	**98,537,498**
	Balance at the end of the year	**1,731,869,895**	**1,287,949,139**
		2,853,546,665	**2,409,200,909**

*Ministry of Food Processing Industries, Government of India (MOFPI) had sanctioned a grant of ₹ 60,000,000 to the company under the scheme of 'Cold Chain, Value Addition and Preservation Infrastructure'. During the previous year, the Company had received the first installment amounting to ₹ 15,000,000 and the same had been accounted as capital reserve.

#During the previous year 2015-16, the Board of Directors in its meeting held on 31 October 2015 had declared an interim dividend aggregating to ₹ 25 per share on 3,274,823 paid up equity shares of ₹ 10 each.

2.3	Long-term borrowings	As at 31 March 2017	As at 31 March 2016
	Secured		
	Term loans		
	- from banks (see notes below)	315,000,000	323,791,450
	- from others (see note (ii) below)		-
		315,000,000	**323,791,450**

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

Terms of repayment for secured term loans from banks:

(i) Secured term loans from banks:

a) Term loan of USD 2,000,000 is an ECB loan taken from Standard Chartered Bank ('SCB') during the financial year 2012-2013 which carries interest rate equal to 3 months USD LIBOR plus 3% per annum. It is repayable in 16 quarterly installments of USD 125,000 each commencing from May 2014. The term loan is secured by first exclusive hypothecation charge on all machinery acquired using this loan and personal guarantees furnished by the promoters of the Company, Mr. Sunil Reddy and Mr. Sesha Reddy. Outstanding amount as at 31 March 2017 is ₹ 32,419,300 (previous year: ₹ 66,332,900).

b) Term loan of ₹ 55,000,000 was taken from SCB during the financial year 2013-2014 which carries interest at the rate of 10.25% per annum. It is repayable in 3 equal annual installments of ₹ 18,333,334 each commencing from November 2014. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan and personal guarantees furnished by the promoters of the Company, Mr. Sunil Reddy and Mr. Sesha Reddy. The said loan has been repaid during the current year. Outstanding amount as at 31 March 2017 is ₹ Nil (previous year: ₹ 18,333,333).

c) Term loan of ₹ 65,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 4,062,500 each commencing from February 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 promoter of the Company, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 65,000,000 (previous year: ₹ 65,000,000).

d) Term loan of ₹ 100,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 6,250,000 each 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 promoter of the Company, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 100,000,000 (previous year: ₹ 100,000,000).

e) Term loan of ₹ 50,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 3,125,000 each commencing from September 2016. 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 promoter of the Company, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 40,625,000 (previous year: ₹ 50,000,000).

f) Term loan of ₹ 25,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 1,562,500 each 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 promoter of the Company, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 25,000,000 (previous year: ₹ 25,000,000).

g) Term loan of ₹ 60,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 3,750,000 each 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 promoter of the Company, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 60,000,000 (previous year: ₹ 60,000,000).

h) Term loan of ₹ 70,000,000 was taken from HDFC Bank during the financial year 2016-2017 which carries interest at the rate of 9.05% per annum. It is repayable in 16 equal quarterly installments of ₹ 4,375,000 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 promoter of the Company, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 70,000,000 (previous year: ₹ Nil).

2.4	**Long-term provisions**	**As at 31 March 2017**	**As at 31 March 2016**
	Provision for employee benefits		
	Gratuity (refer note 2.31)	34,126,361	17,606,172
	Compensated absences	54,537,873	35,328,188
		88,664,234	**52,934,360**

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

2.5 Short-term borrowings	As at 31 March 2017	As at 31 March 2016
Loans repayable on demand from banks		
Secured		
Cash credit	-	15,489,316
Overdraft	343,371,449	341,777,754
Other loans from banks		
Secured		
Working capital demand loans	625,000,000	250,000,000
Unsecured		
Working capital demand loan	-	100,000,000
	968,371,449	**707,267,070**

Terms of repayment of short-term borrowings from banks

Secured

i) **ICICI Bank:**

a) The Company has taken cash credit facility from ICICI Bank, secured by way of pari passu first charge on entire current asset of the Company and pari passu second charge on all the fixed assets of the Company both present and future. Interest rate ranges from 7.50% to 9.00% per annum.

b) The Company has taken bank overdraft facility from ICICI Bank, secured by way of pari passu first charge on the selected investment of the Company in the Mutual funds and carries an interest rate ranging from 8.50% to 9.50% per annum."

ii) **Standard Chartered Bank (SCB):** The Company has taken working capital demand loan and pre-shipment finance facility from SCB. All these facilities are secured by pari passu hypothecation charge on entire current asset of the Company, second charge on all the fixed assets of the Company, both present and future and personal guarantees furnished by the promoter of the Company Mr. Sunil Reddy. Interest rate on these facilities ranges from 7.50% to 9.00% per annum.

iii) **Kotak Mahindra Bank:** The Company has taken cash credit and working capital demand loan facility from Kotak Mahindra Bank. All these loan facilities are secured by pari passu first charge on all the current assets of the Company and second charge on all the fixed assets of the Company including equitable mortgage on the specified property of the Company, both present and future (other than assets exclusively charged to term lenders) and personal guarantees furnished by the promoter of the Company, Mr. Sunil Reddy. Interest rate on cash credit ranges from 9.30% to 10.00% per annum and interest rate on working capital demand loan ranges from 7.50% to 9.00% per annum.

iv) **HDFC Bank:-**

a) 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 all the current assets of the Company and second charge on all the fixed assets of the Company other than those financed by ICICI Bank and SCB Bank and personal guarantees furnished by the promoters of the Company, Mr. Sunil Reddy and Mr. Sesha Reddy. Cash credit carries an interest rate of 9.80% per annum and working capital demand loan carries an interest rate of 8.00% to 9.00% per annum.

b) The Company has taken bank overdraft facility from HDFC Bank, secured by way of pari passu first charge on the selected investment of the Company in the Mutual funds and carries an interest rate ranging from 8.50% to 9.50% per annum.

V) **Hongkong and Shanghai Banking Corporation (HSBC Bank) :** The Company has taken working capital demand loan facility from HSBC Bank. All these facilities are secured by pari passu hypothecation charge on entire current asset of the Company, second charge on all the fixed assets of the Company both present and future and personal guarantees furnished by the promoter of the Company, Mr. Sunil Reddy. Interest rate on these facilities ranges from 7.60% to 9.10% per annum.

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

Unsecured

v) **HDFC Bank:** The Company had taken a short-term loan from HDFC Bank in the previous year, secured only by post dated cheques and personal guarantees furnished by the promoter of the Company, Mr. Sunil Reddy and carries an interest rate of 9.30% to 10.25% per annum.

2.6	**Trade payables**	**As at 31 March 2017**	**As at 31 March 2016**
	- Total outstanding dues of micro enterprises and small enterprises (refer note 2.36)	7,510	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	398,779,996	353,786,145
		398,787,506	**353,786,145**

2.7	**Other current liabilities**	**As at 31 March 2017**	**As at 31 March 2016**
	Current maturities of long term debt from banks (refer note 2.3)	78,044,300	60,874,783
	Current maturities of long term debts from other than banks (refer note 2.3)	-	-
	Interest accrued but not due on borrowings	4,625,148	5,380,192
	Capital creditors	38,625,545	15,881,447
	Creditors for expenses	87,594,962	69,740,607
	Advance from customers	22,534,744	21,527,281
	Security deposits	59,768,355	39,626,691
	Employee payables	58,187,696	60,607,030
	Statutory liabilities	18,149,401	12,384,470
	Other payables	-	
		367,530,151	**286,022,501**

2.8	**Short-term provisions**	**As at 31 March 2017**	**As at 31 March 2016**
	Provision for employee benefits		
	Gratuity (refer note 2.31)	3,838,620	2,730,695
	Compensated absences	4,544,605	2,861,574
	Other provisions		
	Provision for taxation, (net of advance tax)	107,976,318	93,927,813
		116,359,543	**99,520,082**

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

Note 2.9 : Fixed assets

Description	Gross block				Depreciation and amortisation				Provision for impairment					Net block	
	As at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	Charge for the year	Deletions	As at 31 March 2017	As at 1 April 2016	Transfer from CWIP	Charge for the year	Deletions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Tangible assets, owned															
Freehold land	305,903,268	38,932,216	-	344,835,484	-	-	-	-	-	-	-	-	-	344,835,484	305,903,268
Buildings	416,534,269	250,285,351	1,767,537	665,052,083	53,273,394	15,147,858	1,704,149	66,717,103	-	-	-	-	-	598,334,980	363,260,875
Plant and equipment	969,909,816	469,686,820	8,685,334	1,430,911,302	259,133,632	76,572,961	6,288,488	329,418,105	-	-	-	-	-	1,101,493,197	710,776,184
Electrical installation	77,403,622	31,161,492	443,716	108,121,398	28,036,956	8,004,593	371,300	35,670,249	-	-	-	-	-	72,451,149	49,366,666
Electronic data processors	39,426,292	6,771,610	5,731,016	40,466,886	33,194,027	4,056,688	5,652,857	31,597,858	-	-	-	-	-	8,869,028	6,232,265
Office equipments	13,441,498	9,226,890	1,849,039	20,819,349	7,724,274	2,332,701	1,823,143	8,233,832	-	-	-	-	-	12,585,517	5,717,224
Furniture and fixtures	19,903,364	25,556,720	774,691	44,685,393	5,775,761	2,386,135	693,830	7,468,066	-	-	-	-	-	37,217,327	14,127,603
Laboratory equipment	213,338,045	73,785,953	4,726,904	282,397,094	97,084,776	65,235,193	4,230,366	158,089,603	-	-	-	-	-	124,307,491	116,253,269
Vehicles	21,676,204	3,891,767	1,329,668	24,238,303	7,772,321	2,697,328	1,329,667	9,139,982	-	-	-	-	-	15,098,321	13,903,883
Live stock (Refer Note 1)	56,856,046	28,485,712	15,674,632	69,667,126	7,547,361	11,565,095	2,957,078	16,155,378	36,415,059	19,783,450	(8,432,386)	10,368,818	37,397,305	16,114,443	12,893,626
Total (A)	**2,134,392,424**	**937,784,531**	**40,982,537**	**3,031,194,418**	**499,542,502**	**187,998,552**	**25,050,878**	**662,490,176**	**36,415,059**	**19,783,450**	**(8,432,386)**	**10,368,818**	**37,397,305**	**2,331,306,937**	**1,598,434,863**
Previous year	1,615,862,751	535,621,675	17,092,002	2,134,392,424	349,230,109	156,570,460	6,258,067	499,542,502	18,516,007	24,011,732	294,499	6,407,179	36,415,059	1,598,434,863	
Intangible assets, owned															
Computer software	7,977,607	2,105,777	-	10,083,384	6,197,242	1,057,617	-	7,254,859	-	-	-	-	-	2,828,525	1,780,365
Total (B)	**7,977,607**	**2,105,777**	**-**	**10,083,384**	**6,197,242**	**1,057,617**	**-**	**7,254,859**	**-**	**-**	**-**	**-**	**-**	**2,828,525**	**1,780,365**
Previous year	5,948,071	2,029,536	-	7,977,607	4,050,716	2,146,526	-	6,197,242	-	-	-	-	-	1,780,365	
Grand total (A+B)	**2,142,370,031**	**939,890,308**	**40,982,537**	**3,041,277,802**	**505,739,744**	**189,056,169**	**25,050,878**	**669,745,035**	**36,415,059**	**19,783,450**	**(8,432,386)**	**10,368,818**	**37,397,305**	**2,334,135,462**	**1,600,215,228**
Previous Year	1,621,810,822	537,651,211	17,092,002	2,142,370,031	353,280,825	158,716,986	6,258,067	505,739,744	18,516,007	24,011,732	294,499	6,407,179	36,415,059	1,600,215,228	

Note

1. Live stock represents milking animals net of impairment provision.

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

2.10 Non-current investments	As at 31 March 2017	As at 31 March 2016
Trade investments, unquoted at cost		
Investments in equity instruments of subsidiary company		
Dodla Holding Pte. Limited, Singapore	407,841,665	340,074,165
[6,606,628 (previous year: 5,500,000) equity shares of face value USD 1.00 each, fully paid up (at cost)]		
Investments in equity instruments of associate company		
Global VetMed Concepts India Private Limited	38,669,230	38,669,230
[(3,866,923 (previous year: 3,866,923) equity shares of face value ₹ 10 each, fully paid up (at cost)]		
Less: Provision for other than temporary diminution in the value of investment	(38,669,230)	(38,669,230)
	407,841,665	**340,074,165**
Aggregate book value of non-current investments - unquoted	446,510,895	378,743,395
Aggregate book value of non current investments - quoted		-
Aggregate market value of non current investments - quoted		-
Aggregate provision for diminution in the value of investment	38,669,230	38,669,230

2.11 Long-term loans and advances	As at 31 March 2017	As at 31 March 2016
Unsecured, considered good		
To other than related parties		
Security deposits	45,479,634	35,719,858
Capital advances	216,797,075	302,598,955
Income-tax paid under protest	74,926,887	31,012,275
Advance tax, (net of provision for tax)	38,523,178	38,523,178
Unsecured, considered doubtful		
To other than related parties		
Capital advances	2,525,751	2,525,751
Less : Provision for doubtful advances	(2,525,751)	(2,525,751)
To related parties		
Unsecured, considered good		
Salary advances to key managerial person	5,400,000	-
	381,126,774	**407,854,266**

Share application money pending allotment to related parties above represents the amount due from directors or other officers, or any of them, either severally or jointly with any other person or from firm or private companies in which any director is a partner or a director or a member.

Notes to the Standalone Financial Statements

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

2.12 Other non-current assets	As at 31 March 2017	As at 31 March 2016
Balance with bank held as margin money* (refer note 2.16)	500,000	-
	500,000	**-**
* Represents margin money deposit against bank guarantee.		

2.13 Current investments	As at 31 March 2017	As at 31 March 2016
Non-trade investment, quoted (at lower of cost or fair value)		
Investments in mutual funds		
Nil (previous year: 13,145.89) units of Franklin India Short Term Income Plan - Retail Plan - Growth	-	30,000,000
5,000,000.00 (previous year: 5,000,000.00) units of HDFC FMP 1175D Regular Growth plan*	50,000,000	50,000,000
5,000,000.00 (previous year: 5,000,000.00) units of HDFC FMP 3360D Regular Quarterly Dividend plan	50,000,000	50,000,000
12,754,370.24 (previous year: 11,995,346.91) units of ICICI Prudential Regular Income Fund-Regular Plan-Monthly Dividend [net of provision for diminution in the value of investment ₹ 166,562* (previous year: ₹ Nil)]	135,462,891	127,565,716
8,579,477.92 (previous year: 8,215,465.82) units of DHFL Pramerica Short Maturity Fund - Monthly Dividend*	108,482,377	103,770,928
Nil (previous year: 10,774,894.38) units of ICICI Prudential Regular Saving Fund* [net of provision for diminution in the value of investment ₹ Nil (previous year: ₹ 577,980)]	-	111,372,541
Nil (previous year: 5,123,535.84) units of L & T Income Oppurtunities Fund - Dividend*	-	54,407,609
3,756,567.29 (previous year: 3,671,267.03) units of TSTD Tata Short Term Bond Fund Regular Plan-Fortnightly Dividend*	52,105,954	50,868,343
Nil (previous year: 2,285,680.52) units of Reliance Short Term Fund*	-	31,806,021
3,172,235.89 (previous year: Nil) Birla Sunlife ST Opportunities Fund - Growth*	80,000,000	-
3,646,157.03 (previous year: Nil) Reliance Corporate Bond Fund Growth Plan*	44,000,000	-
1,626,589.31 (previous year: Nil) UTI Short Term Income Fund Institutional Option Growth*	30,000,000	-
1,861,262.61 (previous year: Nil) L148G SBI ST Debt Fund-Regular Plan-Growth*	33,000,000	-
1,463,436.05 (previous year: Nil) Kotak Flexi Debt Scheme Plan A - Growth *	30,000,000	-
721,915.55 (previous year: Nil) IDFC Super Saver Income Fund - Growth*	28,000,000	-
	641,051,222	**609,791,158**
Aggregate write-down due to valuation of current investments	166,562	577,980
Aggregate book value of current investments - quoted	641,051,222	609,791,158
Aggregate market value of current investments - quoted	683,560,111	637,101,253

*The investment in mutual funds have been hypothecated against the overdraft facility taken from ICICI Bank & HDFC Bank (refer note 2.5(i)(b) and note 2.5(iv)(b))

Notes to the Standalone Financial Statements

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

2.14 Inventories	As at 31 March 2017	As at 31 March 2016
(valued at the lower of cost and net realisable value)		
Raw materials	173,868,511	44,425,585
Work-in-progress	242,338,662	297,235,198
Finished goods*	389,870,310	533,723,891
Stock-in-trade	-	358,178
Stores and spares	22,099,062	15,744,680
	828,176,545	**891,487,532**

*include goods-in-transit amounting to ₹ 16,893,995 (previous year: ₹ 25,108,436).

2.15 Trade receivables	As at 31 March 2017	As at 31 March 2016
Outstanding for a period exceeding six months from the date they became due for payment		
- Unsecured, considered good	-	-
- Unsecured, considered doubtful	448,015	3,033,365
Other debts		
- Unsecured, considered good	5,259,408	5,074,599
	5,707,423	8,107,964
Less: Provision for doubtful receivables	(448,015)	(3,033,365)
	5,259,408	**5,074,599**

2.16 Cash and cash equivalents	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents		
Cash on hand	18,544,144	12,795,057
Balances with banks		
- in current accounts#	50,834,720	79,048,365
- in deposit accounts (with original maturity of less than three months)		
	69,378,863	**91,843,422**
Other bank balances		
Deposit* (due to mature within 12 months of the reporting date)	500,000	-
Less: Non-current bank balance - (refer note 2.12)	500,000	-
	69,378,864	**91,843,422**
# Current account balances with banks include funds which are not freely available amounting to ₹ 13,534,264 (previous year: ₹ 13,534,264) (refer note 2.34(c))		
Details of bank balances/ deposits		
Bank balances available on demand or deposit with original maturity of three months or less included under 'Cash and cash equivalents'	50,834,720	79,048,365
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	-	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'	500,000	-
	51,334,720	**79,048,365**

Notes to the Standalone Financial Statements

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

2.17	Short-term loans and advances	As at 31 March 2017	As at 31 March 2016
	To other than related parties		
	Unsecured, considered good		
	Advance for supply of goods and services	240,523,413	6,870,193
	Prepaid expenses	14,042,596	7,856,701
	Salary advances to employee	3,128,536	2,317,230
	Other advances	8,696,228	6,735,866
	To related parties		
	Unsecured, considered good		
	Advance for supply of goods and services	3,916,844	-
	Loan to director*	12,500,000	12,500,000
	Salary advances to key managerial person	2,400,000	3,478,494
	Excess remuneration paid to managing director held in trust	-	-
	Advance to subsidiary	551,940	27,666
	Unsecured, considered doubtful		
	Share application money pending allotment-Dodla Milk Processing Plc - Ethiopia (refer note 2.34(c))	2,299,566	2,299,566
	Other advances	53,635,701	53,635,701
	Less : Provision for doubtful advances	(55,935,267)	(55,935,267)
		285,759,555	**39,786,150**

2.18	Other current assets	As at 31 March 2017	As at 31 March 2016
	Interest accrued	1,387,787	1,303,275
	Derivative financial assets	4,877,419	11,281,104
	TDS Receivable		
		6,265,206	**12,584,379**

Notes to the Standalone Financial Statements

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

2.19	Revenue from operations	For the year ended 31 March 2017	For the year ended 31 March 2016
	Sale of products (refer note 2.37 A)		
	- Finished goods	14,107,660,768	11,783,297,459
	- Traded goods	-	26,039,147
		14,107,660,768	**11,809,336,606**
	Sale of services		
	- Conversion service charges	1,191,283	5,094,049
		1,191,283	**5,094,049**
	Other operating revenue		
	- Sale of scrap	5,810,145	5,665,494
		5,810,145	**5,665,494**

2.20	Other income	For the year ended 31 March 2017	For the year ended 31 March 2016
	Interest income		
	- on deposits	22,726	111,378
	- on others	3,212,844	2,744,225
	Dividend income from current investment	19,557,032	23,033,478
	Profit on sale of current investments, net	14,947,184	23,158,785
	Gain on account of foreign exchange fluctuations, net	353,369	1,415,470
	Other non-operating income	6,903,569	5,437,521
		44,996,724	**55,900,857**

2.21	Cost of material consumed	For the year ended 31 March 2017	For the year ended 31 March 2016
	Inventory of materials at the beginning of the year	44,425,585	280,045,764
	Purchases	11,089,349,591	8,552,783,247
	Inventory of materials at the end of the year	(173,868,511)	(44,425,585)
		10,959,906,665	**8,788,403,426**
	Break up of cost of material consumed		
	Consumption of raw material (refer note 2.37 B)	10,539,479,646	8,445,299,002
	Consumption of packing material (refer note 2.37 C)	420,427,019	343,104,424
		10,959,906,665	**8,788,403,426**

Notes to the Standalone Financial Statements

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

2.22	Changes in inventories of finished goods, work-in-progress and stock-in-trade	For the year ended 31 March 2017	For the year ended 31 March 2016
	a) Finished goods		
	Opening stock	533,723,891	695,912,619
	Closing stock	(389,870,310)	(533,723,891)
		143,853,581	**162,188,728**
	b) Work-in-progress		
	Opening stock	297,235,198	424,778,706
	Closing stock	(242,338,662)	(297,235,198)
		54,896,536	**127,543,508**
	c) Stock-in-trade		
	Opening stock	358,178	508,134
	Closing stock	-	(358,178)
		358,178	**149,956**
		199,108,295	**289,882,192**

2.23	Employee benefits expense	For the year ended 31 March 2017	For the year ended 31 March 2016
	Salaries, wages and bonus	467,364,206	413,045,167
	Contribution to provident and other funds (refer note 2.31)	49,259,202	38,180,407
	Staff welfare expenses	5,428,253	5,628,816
		522,051,661	**456,854,390**

2.24	Finance costs	For the year ended 31 March 2017	For the year ended 31 March 2016
	Interest expense	72,870,413	96,917,394
	Interest on income-tax	6,561,792	21,033,931
	Other borrowing costs	864,800	3,824,190
		80,297,005	**121,775,515**

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

2.25	Other expenses	For the year ended 31 March 2017	For the year ended 31 March 2016
	Power and fuel	222,023,605	175,851,553
	Consumption of stores and spare parts (refer note 2.37 G)	99,740,918	84,948,205
	Conversion and processing charges	626,406	8,762,597
	Milk procurement expenses	10,545,566	10,904,831
	Freight inward and handling	341,407,307	274,786,265
	Repairs and maintenance:		
	- building	13,673,074	12,145,939
	- machinery	8,171,705	6,482,229
	- other assets	2,007,567	1,937,842
	Rent (refer note 2.35)	46,524,701	52,383,849
	Rates and taxes	21,425,488	11,623,737
	Communication expenses	9,980,551	8,828,374
	Printing and stationery	4,660,647	4,248,454
	Travelling and conveyance	42,977,278	38,327,695
	Vehicle hire charges	8,009,791	6,510,980
	Bank charges	5,478,641	6,440,922
	Legal and professional charges (refer note 2.28)	47,230,140	31,073,792
	Security expenses	23,519,962	17,367,474
	Bad debts written off	2,749,186	-
	Advances written off	-	333,498
	Provision for doubtful receivables	(2,585,350)	640,684
	Provision for doubtful advances	-	(19,879,528)
	Provision for other than temporary diminution in the value of non-current investment	-	38,669,230
	Provision for diminution in value of investment in mutual funds	(411,418)	(532,994)
	Insurance	9,669,454	6,834,045
	Loss on sale/ retirement of fixed assets, net	3,289,935	4,123,221
	Miscellaneous expenses	24,603,566	19,286,915
	Freight and forwarding	176,447,166	156,795,365
	Advertisement expenses	74,613,205	37,549,370
	Distribution expenses	345,828,565	275,000,070
		1,542,207,656	**1,271,444,614**

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

2.26 Tax for earlier years	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
- Current tax for earlier years	-	97,544,879
- MAT Credit reversed	-	41,212,710
- Deferred tax charge in respect of earlier years	-	3,510,521
	-	**142,268,110**

The Company avails the benefit given under Section 80IB(11A) of the Income-tax Act, 1961 ('Act') with respect to the income generated from its milk processing units and processing plants. The Company believes that the basic criteria i.e. 'processing, preservation and packaging', as envisaged for claiming deduction under section 80IB(11A) of the Act, has been satisfied. However, with respect to the Assessment Year 2012-13, the Company had received demand notice amounting to ₹ 30,367,280 (including interest of ₹ 10,254,579) under Section 143(3) of Act disallowing the deduction claimed under Section 80IB(11A) of the Act. Such disallowance has been made on the ground that the Company had not satisfied the conditions of above mentioned section towards its operations at milk processing units. The Management had preferred an appeal before the Commissioner of Income Tax (Appeals).

During the previous year 2015-16, assessing officer had reopened the assessments with respect to Assessment Year 2010-11 and 2011-12 on similar grounds. The Company had created a provision for Income Tax on account of this dispute for the assessment years commencing from 2010-11 to 2015-16. Also, the Company had reversed the MAT credit asset recognised in the earlier year, which got created due to claiming a deduction under Section 80IB(11A) of the Act in the earlier years. The Company however is contesting the matter.

During the year 2014-15, the deferred tax liability amounting to ₹ 3,510,521 with respect to timing differences that would get reversed within the tax holiday period was not considered by the Company. Accordingly, the effect to the extent of same has also been considered during the year 2015-16 while making the above provision.

Further during the current year, the assessing offices has also reopened the assessment with resepect to the Assessment Year 2013-14 and 2014-15. The Company is contesting the matter.

2.27 Commitments and contingent liabilities

Particulars		**As at 31 March 2017**	**As at 31 March 2016**
(i)	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account (net of advances)	57,053,746	120,440,225
(ii)	**Contingent liabilities**		
	Claims against the Company not acknowledged as debts :		
	- Income tax matters	993,322	993,322
	- Sales tax matters	4,090,740	-

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

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

2.28 Auditors' remuneration (included in legal and professional, including service tax)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Audit fees		
Statutory audit	4,600,000	4,160,000
Other services	517,500	1,395,588
Out-of-pocket expenses	252,958	358,147
Total	**5,370,458**	**5,913,735**

2.29 Corporate social responsibility

Gross amount required to be spent by the Company during the year amounts to ₹ 8,476,378 (Previous year: ₹ 6,644,960)

Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
Construction or acquisition or of assets	-	-	-
Purposes other than construction or acquisition of assets	224,110	-	224,110

2.30 Deferred tax liabilities (net):

Deferred tax liability, net included in the balance sheet comprises the following:

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred tax assets:		
- Provision for gratuity	13,139,680	7,038,590
- Provision for leave encashment	20,448,446	13,217,477
- Provision for bonus	8,748,783	7,261,470
- Provision for doubtful debts and advances	20,388,417	21,283,206
Total (A)	**62,725,326**	**48,800,743**
Deferred tax liabilities:		
- Excess of depreciation on fixed assets under Income-tax Act over depreciation provided in accounts	175,955,831	130,784,320
- Others	6,655,614	5,013,725
Total (B)	**182,611,445**	**135,798,045**
Deferred tax liabilities, net (B-A)	**119,886,119**	**86,997,302**

2.31 Employee benefits

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance 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.

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

Defined benefit plans

The Company provides its employees with 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 ₹ 1,000,000.

The following table summarises the position of assets and obligations of gratuity:

Particulars	**As at 31 March 2017**	**As at 31 March 2016**
Present value of defined benefit obligation	60,227,291	42,604,614
Fair value of plan assets	(22,262,310)	(22,267,747)
Liability recognised in balance sheet	**37,964,981**	**20,336,867**

Classification into current/ non-current	**As at 31 March 2017**	**As at 31 March 2016**
Current benefit obligation (refer note 2.8)	3,838,620	2,730,695
Non-current benefit obligation (refer note 2.4)	34,126,361	17,606,172
Liability recognised in balance sheet	**37,964,981**	**20,336,867**

Movement in present value of the defined benefit obligation:	**As at 31 March 2017**	**As at 31 March 2016**
Opening defined benefit obligation	42,604,614	29,784,544
Interest cost	3,113,937	2,267,780
Current service cost	12,203,551	9,167,374
Benefits paid	(1,725,657)	(1,196,380)
Actuarial loss on obligation	4,030,846	2,581,296
Closing defined benefit obligation	**60,227,291**	**42,604,614**

Movement in fair value of plan assets	**As at 31 March 2017**	**As at 31 March 2016**
Opening fair value of plan assets	22,267,747	13,130,621
Expected returns	1,716,511	1,422,545
Contributions	102,938	9,079,104
Benefits paid	(1,725,657)	(1,196,380)
Actuarial loss on assets	(99,229)	(168,143)
Closing fair value of plan assets	**22,262,310**	**22,267,747**

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

Expense recognised in the statement of profit and loss	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Current service cost	12,203,551	9,167,374
Interest cost	3,113,937	2,267,780
Expected return on plan assets	(1,716,511)	(1,422,545)
Net actuarial loss recognised in the year	4,130,075	2,749,439
Net benefit expense	**17,731,052**	**12,762,048**

Actual return on plan assets	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Expected return on plan assets	1,716,511	1,422,545
Actuarial gain/ (loss) on plan asset	(99,229)	(168,143)
Actual return on plan assets	**1,617,282**	**1,254,402**

Principal actuarial assumptions	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Salary escalation rate	12.00%	12.00%
Discount rate	6.69%	7.46%
Attrition rate	8.00%	8.00%
Retirement age	58 years	58 years

Composition of plan assets: The Company makes annual contribution to the Life Insurance Corporation ('LIC') of an amount advised by LIC. The Company was not informed by LIC of the investments made by them or the break-up of plan assets into various types of investment.

Salary escalation rate: The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

2.31 Employee benefits (continued)

Experience adjustments

Particulars	**For the year ended 31 March**				
	2017	**2016**	**2015**	**2014**	**2013**
Defined benefit obligation	60,227,291	42,604,614	29,784,544	20,448,711	19,361,943
Fair value of plan assets	22,262,310	22,267,747	13,130,621	8,933,987	8,596,713
Deficit in the plan	37,964,981	20,336,867	16,653,923	11,514,724	10,765,230
Experience adjustments arising on plan liabilities gain/ (loss)	(4,030,846)	(2,581,296)	1,559,428	(3,097,076)	(4,041,373)
Experience adjustments arising on plan assets gain/ (loss)	(99,229)	(168,143)	81,835	(11,457)	-

Notes to the Standalone Financial Statements

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

2.32 Earnings per share ('EPS')

The computation of EPS is set out below

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Earnings		
Profits attributable to equity shareholders	443,920,756	355,755,724
Shares		
Weighted average number of equity shares outstanding during the period	3,274,823	3,274,823
Basic and diluted earnings per share of face value of ₹10	135.56	108.63

The Company has no potentially dilutive equity shares.

2.33 Segment reporting

The Company is in the business of processing and selling milk and milk products. The Management is of the view that the risks and returns for these products are not significantly different and accordingly considers this a single reportable segment in terms of Accounting Standard 17 - "Segment Reporting". Further, the Company operates in one geographical area - 'India'. Hence, a separate disclosure of segment is not considered relevant.

The segment results are included and presented on consolidated basis in accordance with the requirements of the Accounting Standard – 17 "Segment Reporting".

2.34 Related party disclosures

As per the Accounting Standards - "Related Party Disclosures" (AS-18) the following disclosures are made:

(i) Names of related parties and description of relationship:

Nature of relationship	Name of the party
Entity where control exists	Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd
Subsidiaries (including step down subsidiary)	Dodla Holdings Pte Limited, Singapore Lakeside Dairy Limited, Uganda Dodla Singapore Pte Limited, Singapore (till 24 November 2015)
Associate	Global VetMed Concepts Private Limited ('GVC') (from 31 March 2016)
Key management personnel ('KMP')	Mr. Sunil Reddy, Managing Director Mr. B.V.K. Reddy, CEO
Relatives of KMP	Mr. Sesha Reddy, Father of Mr. Sunil Reddy Mrs. Surekha Reddy, Sister of Mr. Sunil Reddy Ms. Shilpa Reddy, Daughter of Mr. Sunil Reddy
Enterprise over which KMP have significant influence	Dodla Dairy, Vinjimuru Oremus Corporate Services Private Limited (from 15 June 2015) D Soft India Private Limited Surekha Milk Chilling Centre Dodla Engineering, a Partnership Firm Indian Dairy Association

Notes to the Standalone Financial Statements

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

(ii) Details of transactions with the above related parties:

Transactions	For the year ended 31 March 2017	For the year ended 31 March 2016
Lease rent paid		
- Dodla Dairy, Vinjumur	1,200,000	1,200,000
- Surekha Milk Chilling Centre	900,000	900,000
Software maintenance expenses		
- D Soft India Private Limited	600,000	600,000
Remuneration paid		
- Mr. Sunil Reddy	25,043,102	31,535,022
- Mr. B.V.K. Reddy	17,340,955	30,696,000
Advertisement Charges		
- Indian Dairy Association	103,680	137,925
Purchase of raw material		
- GVC	6,240,860	8,311,435
Sale of finished goods, (net of discounts)		
- Mr. Sunil Reddy	45,000	-
- Mrs. Surekha Reddy	17,099	16,691

Transactions	For the year ended 31 March 2017	For the year ended 31 March 2016
Expenditure incurred on behalf of GVC	6,907,726	20,805,626
Dodla Singapore Pte Limited, Singapore	-	333,489
Lakeside Dairy Limited, Uganda	1,565,761	889,338
Consultancy expense		
- Oremus Corporate Services Private Limited	1,034,250	2,676,218
- Mr. Sesha Reddy	3,600,000	3,600,000
- Ms. Shilpa Reddy	50,000	-
Unsecured loans given		
- Mr. Sunil Reddy	-	25,000,000
Unsecured loans repaid		
- Mr. Sunil Reddy	-	12,500,000
Interest income		
- Mr. Sunil Reddy	1,125,001	294,164
Investment made in the shares		
- Shares subscribed in Dodla Holdings Pte. Limited, Singapore	67,767,500	65,961,535
- Shares subscribed in GVC (adjusted from amount receivable)	-	38,569,230
- Shares of GVC purchased from Mr. Sunil Reddy	-	99,990
Advances written off		
- Dodla Singapore Pte. Limited, Singapore	-	333,498

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

(iii) Balances with related parties:

Particulars	As at 31 March 2017	As at 31 March 2016
Short term loans and advances		
- GVC - Other advances	57,552,545	53,635,701
- Mr. Sunil Reddy – Advance given against salary	-	3,478,494
- Mr. Sunil Reddy – Loan to director	12,500,000	12,500,000
- Mr. B.V.K. Reddy – Advance given against salary	78,00,000	-
- Lakeside Dairy Limited – Other advances	551,940	27,666
- GVC – Provision for doubtful advances	(53,635,701)	(53,635,701)
Other current assets		
- Mr. Sunil Reddy – Interest accrued	95,548	95,548
Other current liabilities		
- Oremus Corporate Services Private Limited – Consultancy fees payable	86,250	275,000
- Mr. Sunil Reddy- Remuneration payable	844,376	-
- Ms. Shilpa Reddy	50,000	-
- Mr. B.V.K Reddy- Remuneration payable	-	10,564,091

2.34 Related party disclosures (continued)

Notes:

a. The borrowings of the Company are secured by personal guarantees given by Mr. Sunil Reddy and Mr. Sesha Reddy as detailed in Note 2.3 & 2.5.

b. Remuneration paid to Mr. Sunil Reddy and Mr. B.V.K. Reddy does not include gratuity and compensated absences as this is provided in the books of account on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

c. During the year 2014-15, the Board of directors of the Company has decided to wind up Dodla Milk Processing Plc since it does not intend to pursue the business opportunities in Ethiopia and it stands dissolved on 24 November 2015. Shares of Dodla Milk Processing Plc were not allotted to the Company. Subsequently, the Company had initiated process of settling the dues and repatriating the funds to India and has received ₹ 13,534,264, which was deposited in nostro account with Authorised dealer. The Company is required to obtain approval from Reserve Bank of India (‘RBI’) to utilise these funds. Accordingly, the Company had made necessary application with RBI, who in turn has issued a letter to the Company intimating the contravention made by the Company and advised the Company to file an application for compounding of the contraventions. The Company has filed the requisite applications to the RBI for compounding of the contraventions. Further, Management of the Company expects the offence to be compounded. The Company has provided for balance amount of ₹ 2,299,566 lying in share application money and not repatriated, which has been incurred on winding up activities of this subsidiary.

Notes to the Standalone Financial Statements

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

2.35 Details of the loan given under Section 186 of the Companies Act, 2013

Pursuant to a scheme approved by the members by a special resolution in their meeting dated 6 July 2015, the Company, during the previous year, has given an unsecured personal loan to the Managing Director, Mr. Sunil Reddy, carrying an interest rate of 9% p.a.

Movement in the balance during the year:

Particulars	Amount
As at the beginning of the financial year	12,500,000
Given during the financial year	-
Repaid during the financial year	-
As at the end of the financial year	12,500,000

2.36 Leases

The Company has certain operating leases for plants, chilling centres and milk parlours (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expense of ₹ 46,524,701 (previous year: ₹ 52,383,849) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

2.37 Dues to Micro and Small Enterprises

The Ministry of Micro and Small 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 31 March 2017 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 ('MSMEDA') is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	7,510	Nil
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
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 Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
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 purpose of disallowance of deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Note: The list of undertakings covered under MSMEDA was determined by the Company on the basis of information available with the Company.

Notes to the Standalone Financial Statements

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

2.38 Additional information

A. Particulars of sales of goods	For the year ended 31 March 2017	For the year ended 31 March 2016
Processed products:		
Milk	12,154,492,134	10,402,410,913
Ghee/ Butter	1,492,988,519	1,119,329,505
Other products	460,180,115	261,557,041
Total (a)	**14,107,660,768**	**11,783,297,459**
Traded products:		
UHT milk	-	26,039,147
Total (b)	**-**	**26,039,147**
Grand total (a)+(b)	**14,107,660,768**	**11,809,336,606**

B. Consumption of raw material	For the year ended 31 March 2017	For the year ended 31 March 2016
Raw milk	10,185,821,484	8,158,662,880
Others	353,658,162	286,636,122
Total	10,539,479,646	8,445,299,002

C. Consumption of packing material	For the year ended 31 March 2017	For the year ended 31 March 2016
Packing film	272,604,336	233,716,065
Others	147,822,683	109,388,359
Total	**420,427,019**	**343,104,424**

D. CIF value of import	For the year ended 31 March 2017	For the year ended 31 March 2016
Raw materials	1,629,679	1,286,927
Capital goods	1,053,886	30,250,013
Stores and spares	1,849,772	626,243
Total	**4,533,337**	**32,163,183**

E. Expenditure in foreign currency	For the year ended 31 March 2017	For the year ended 31 March 2016
Travelling and conveyance	406,568	3,149,977
Other expenses	266,529	541,750
Total	**673,097**	**3,691,727**

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

F. Raw materials consumed	For the year ended 31 March 2017		For the year ended 31 March 2016	
	₹	%	₹	%
Imported*	1,016,594	0.01	1,571,579	0.02
Indigenous	10,537,732,920	99.99	8,443,727,423	99.98
	10,539,479,646	**100.00**	**8,445,299,002**	**100.00**

*excluding ₹ 730,131 (previous year : ₹ 2,725,876) transferred to capital work in progress

G. Stores and spares consumed	For the year ended 31 March 2017		For the year ended 31 March 2016	
	₹	%	₹	%
Imported*	1,391,762	1.40	229,017	0.27
Indigenous	98,349,156	98.60	84,719,188	99.73
	99,740,918	**100.00**	**84,948,205**	**100.00**

*excluding ₹ 121,436 (previous year: ₹ 397,226) transferred to capital work in progress

2.39 Hedging and derivatives

a. The following is the nominal value of outstanding derivative contracts entered into by the Company for hedging currency and interest rate related risks as at 31 March 2017:

Particulars	As at 31 March 2017		As at 31 March 2016	
	USD	Equivalent ₹	USD	Equivalent ₹
Cross currency swap and interest rate swap	500,000	27,162,500	1,000,000	54,325,000

b. The particulars of un-hedged foreign currency exposure as at balance sheet date is as under:

Particulars	Currency	As at 31 March 2017		As at 31 March 2016	
		Foreign currency	₹	Foreign currency	₹
Capital advances	EURO	3,299	228,448	-	-
Capital creditors	USD	35,600	2,308,254	35,600	2,361,451
Advance for supply of goods	USD	-	-	2,236	148,289
Advance for supply of goods	EURO	6,500	450,109	13,680	1,027,306

2.40 Provision for impairment of live stock

The charge for the current year is as follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Capital work-in-progress	16,240,312	20,808,804
Tangible fixed assets	(8,432,386)	294,499
Total provision created for the year	**7,807,926**	**21,103,303**

Notes to the Standalone Financial Statements

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

2.41 Specified Bank Notes ("SBN")

Details of Specified Bank Notes (SBNs) held and transacted during the period from 8 November, 2016 to 30 December, 2016 are as below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	1,044,000	1,999,464	3,043,464
Add: Permitted receipts#	130,471,000	1,001,321,472	1,131,792,472
Less: Permitted payments	-	6,089,846	6,089,846
Less: Amount deposited in banks	131,515,000	989,932,086	1,121,447,086
Closing cash in hand as on 30 December 2016	**-**	**7,299,004**	**7,299,004**

#The Management has obtained an opinion from an independent legal counsel and is of the view that the cash collected in specified bank notes in the normal course of the business is covered under the ambit of exemption provided under clause (d) of the notification S.O.3408(E) dated 8th November 2016 issued by the Ministry of Finance, allowing the use of specified bank notes for purchase at milk booths operating under authorisation of the Central or State Governments until 15 December 2016 (originally 11 November 2016, amended by notifications issued from time to time). Hence, the above specified bank notes collected are considered as permitted receipts.

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

2.42 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. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of November 2017, as required by law. The Management is of the opinion that its domestic and 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.

2.43 Subsequent events

On 2 May 2017, the Company entered into an Investment Agreement with TPG Dodla Dairy Holdings Pte. Ltd ('the Investor'). Pursuant to the said investment agreement, Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd, has transferred its entire equity shareholding i.e. 23.66% in the Company to the Investor. Further, Dodla Sunil Reddy and Dodla Deepa Reddy, promoters of the Company have also transferred a part of their equity shareholding in the Company to the Investor, representing 3.34% of the equity share capital of the Company.

2.44 Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's presentation.

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No. 061272

for A. Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Registration no: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

for Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

Ruchita Malpani
Company Secretary

Place: Hyderabad
Date: 16 August 2017

Place: Hyderabad
Date: 16 August 2017

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of Dodla Dairy Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dodla Dairy Limited ('the Holding Company' or 'the Company') and its subsidiaries and associate (together referred to as 'the Group'), comprising of the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (collectively referred to as the 'consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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 other auditors on separate financial statements of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the 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 as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements and financial information of two subsidiaries incorporated outside India, whose financial statements and financial information reflect total assets of ` 357,554,735 and net assets of ` 314,882,623 at 31 March 2017, total revenues of ` 300,599,542 and net cash inflows amounting to ` 17,376,363 for the year ended on that date, as considered in the consolidated financial statements. The financial statement of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those 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 on the consolidated financial statements, in so far as it relates to the aforesaid subsidiaries, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

The consolidated financial statements also include the Group's share of net loss of ` Nil for the year ended 31 March 2017 in respect of one associate, whose financial statements and financial information have not been audited by us. The financial statements and financial information of the aforesaid associate has been audited by other auditor whose report 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 the aforesaid 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 associate, is based solely on the report of the other auditor.

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 and the financial statements and financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of associate incorporated in India, 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, except as discussed under para (iv) of clause (h) below;

(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 report of the other auditor, except as discussed under para (iv) of clause (h) below;

(c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) the matter described under para (iv) of clause (h) below, in our opinion, may have an adverse effect on the functioning of the Company;

(f) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditor of its associate incorporated in India, none of the directors of the Group's companies incorporated in India are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

(g) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and

(h) 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 report of other auditor on separate financial statements and on the other financial information of the associate, as noted in the 'other matters' paragraph;

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in Note 2.26 and 2.27(ii) to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2017;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India during the year ended 31 March 2017; and

iv. The Holding Company and the associate incorporated in India has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. The Management has obtained an opinion from an independent legal counsel and is of the view that the cash collected in specified bank notes in the normal course of the business is covered under the ambit of exemption provided under clause (d) of the notification S.O.3408(E) dated 8 November 2016 issued by the Ministry of Finance, allowing the use of specified bank notes's for purchase at milk booths operating under authorisation of the Central or State Governments until 15 December 2016 (originally 11 November 2016, amended by notifications issued from time to time). However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer note 2.42 of the consolidated financial statements.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W100024

Vikash Somani
Partner
Membership No. 061272

for A.Ramachandra Rao & Co.
Chartered Accountants
ICAI Firm Registration Number: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Place: Hyderabad
Date: 16 August 2017

Annexure- A to the Independent Auditors' Report on the Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Dodla Dairy Limited ('the Holding Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Holding Company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, which is a Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting 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 ICAI.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W100024

Vikash Somani
Partner
Membership No. 061272

Place: Hyderabad
Date: 16 August 2017

for A.Ramachandra Rao & Co.
Chartered Accountants
ICAI Firm Registration Number: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Consolidated balance sheet

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

	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	32,748,230	32,748,230
Reserves and surplus	2,760,035,683	2,353,837,291
	2,792,783,913	**2,386,585,521**
Government grants	3,233,734	3,452,420
Non-current liabilities		
Long-term borrowings	315,000,000	323,791,450
Deferred tax liabilities, net	119,886,119	86,997,302
Other long-term liabilities		-
Long-term provisions	88,664,234	52,934,360
	523,550,353	**463,723,112**
Current liabilities		
Short-term borrowings	968,371,449	707,267,070
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	7,510	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	427,003,452	368,153,067
Other current liabilities	378,917,844	295,422,074
Short-term provisions	119,420,509	99,520,082
	1,893,720,764	**1,470,362,293**
TOTAL	**5,213,288,764**	**4,324,123,346**
ASSETS		
Non-current assets		
Fixed assets		
Tangible fixed assets	2,571,861,451	1,819,017,120
Intangible fixed assets	3,335,629	2,175,504
Capital work-in-progress	304,961,838	370,531,302
Non-current investments	-	-
Long-term loans and advances	395,019,237	416,124,786
Other non-current assets	500,000	-
	3,275,678,155	**2,607,848,712**
Current assets		
Current investments	641,051,222	609,791,158
Inventories	851,959,198	904,329,938
Trade receivables	14,276,366	20,370,170
Cash and cash equivalents	111,619,371	118,194,980
Short-term loans and advances	312,439,246	51,004,009
Other current assets	6,265,206	12,584,379
	1,937,610,609	**1,716,274,634**
TOTAL	**5,213,288,764**	**4,324,123,346**

Significant accounting policies

Notes to the consolidated financial statements

The notes referred to above form 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

Vikash Somani
Partner
Membership No. 061272

for A. Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Registration no: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Place: Hyderabad
Date: 16 August 2017

for Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

Ruchita Malpani
Company Secretary

Place: Hyderabad
Date: 16 August 2017

Consolidated statement of profit and loss

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations		
Sale of products	14,408,136,080	12,002,653,844
Sale of services	1,191,283	5,094,049
Other operating revenue	5,934,375	5,717,939
Total	**14,415,261,738**	**12,013,465,832**
Other income	46,817,867	60,008,660
Total revenue	**14,462,079,605**	**12,073,474,492**
Expenses		
Cost of materials consumed	11,139,542,047	8,900,549,428
Purchase of stock-in-trade	-	27,462,454
Changes in inventories of finished goods, work-in-progress and stock-in-trade	198,531,785	284,503,589
Employee benefits expense	549,962,815	484,909,373
Finance costs	80,297,005	121,775,515
Depreciation and amortisation	202,497,154	168,279,677
Add: Transfer from government grant	(218,686)	(218,686)
Other expenses	1,627,961,147	1,321,016,958
Provision for impairment on live stock	7,807,926	21,103,303
Total expenses	**13,806,381,193**	**11,329,381,610**
Profit before tax	**655,698,412**	**744,092,882**
Tax expense:		
- Current tax	184,266,192	242,253,006
- Tax for earlier years	-	142,268,110
- Deferred tax charge (credit)	32,888,817	295,972
	217,155,009	**384,817,088**
Profit for the year	**438,543,403**	**359,275,794**
Add: Share of profit in associate	-	-
Net profit for the year	**438,543,403**	**359,275,794**
Earnings per equity share (par value of ₹ 10 per share)		
Basic & diluted	133.91	109.71

Significant accounting policies

Notes to the consolidated financial statements

The notes referred to above form 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

Vikash Somani
Partner
Membership No. 061272

for A. Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Registration no: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

for Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

Ruchita Malpani
Company Secretary

Place: Hyderabad
Date: 16 August 2017

Place: Hyderabad
Date: 16 August 2017

Consolidated cash flow statement

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
I. Cash flow from operating activities		
Profit before tax	655,698,412	744,092,882
Adjustments:		
Depreciation and amortisation	202,497,154	168,279,677
Transfer from Government grant	(218,686)	(218,686)
Interest income	(3,461,489)	(2,943,015)
Dividend income on current investment	(19,557,032)	(23,033,478)
Net profit on sale of current investments, net	(14,947,184)	(23,158,785)
Net loss on sale/ retirement of fixed assets	18,929,746	4,123,221
Provision for impairment on live stock	7,807,926	21,103,303
Reversal of provision for diminution in the value of investment in mutual funds	(411,418)	(532,994)
Reversal of provision for doubtful advances	-	(38,023,719)
Provision for other than temporary diminution in the value of non-current investment	-	38,669,230
Finance cost	80,297,005	121,775,515
Unrealised foreign exchange loss	(1,146,885)	(1,658,315)
Operating cash flows before working capital changes	**925,487,549**	**1,008,474,836**
(Increase)/ decrease in trade receivables	4,990,619	(4,174,094)
Decrease in inventories	50,665,952	519,276,774
(Increase)/ decrease in loans and advances	(279,091,554)	30,214,535
Increase in liabilities and provisions	140,564,548	67,821,329
Cash generated from operations	**842,617,114**	**1,621,613,380**
Income taxes paid, net of refunds	(218,635,217)	(341,310,439)
Net cash generated from operating activities (A)	**623,981,897**	**1,280,692,654**
II. Cash flows from investing activities		
Purchase of fixed assets, change in capital work-in-progress, and capital advances	(816,438,803)	(986,014,996)
Proceeds from sale of fixed assets	4,547,301	303,534
Investment in associate	-	(17,669,230)
Investment in mutual funds	(260,883,032)	(346,197,429)
Redemption of mutual fund	244,981,570	332,328,278
Refund of share application money pending allotment - Dodla Milk Processing Plc - Ethiopia	-	12,435,758
Deposits matured/ (placed) (having original maturity of more than 3 months)	(500,000)	11,798,817
Dividend received from investment in mutual funds	19,557,032	23,033,478

	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest received	3,376,977	2,407,356
Net cash used in investing activities (B)	**(805,358,955)**	**(967,574,434)**
III. Cash flow from financing activities		
Receipt of long term borrowings from banks	70,000,000	300,000,000
Repayment of long term borrowing to banks	(54,071,363)	(49,628,734)
Dividend paid (including dividend distribution tax)	-	(98,537,498)
Receipt of government grant	425,000	15,000,000
(Repayment)/ receipt of short term borrowings, net	261,104,379	(424,883,020)
Interest paid	(99,652,471)	(108,566,579)
Net cash generated from/ (used in) financing activities (C)	**177,805,545**	**(366,615,831)**
Net decrease in cash and cash equivalents (A+B+C)	(3,571,513)	(53,497,611)
Cash and cash equivalents at the beginning of the year	118,194,980	174,448,879
Effect of foreign exchange on cash and cash equivalents	(3,004,096)	(2,756,288)
Cash and cash equivalents at the end of the year (refer note 2.16)	**111,619,371**	**118,194,980**
Note:		
Components of cash and cash equivalents:	**As at 31 March 2017**	**As at 31 March 2016**
Cash on hand	20,304,041	13,242,130
Balances with banks		
- in current accounts#	91,315,330	104,952,850
	111,619,371	**118,194,980**

Current account balances with banks include funds which are not freely available amounting to ₹ 13,534,264 (previous year: ₹ 13,534,264) (refer note 2.35(c))

The notes referred to above form 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

Vikash Somani
Partner
Membership No. 061272

for A. Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Registration no: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

Place: Hyderabad
Date: 16 August 2017

for Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

Ruchita Malpani
Company Secretary

Place: Hyderabad
Date: 16 August 2017

1. Significant accounting policies

a. Company overview

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.

b. Basis of preparation of consolidated financial statements

The Consolidated Financial Statements ("CFS") of Dodla Dairy Limited ("the Company" or "the Holding Company") together with its subsidiaries and associate (collectively termed as "the Group" or "the consolidated entities") are prepared under the historical cost convention on accrual basis of accounting and comply with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 6 and 7 of the Companies (Accounts) Rules, 2014, [in particular Accounting Standard 21 ('AS 21') - "Consolidated Financial Statements'' and Accounting Standard 23 ('AS 23') - "Accounting for Investment in Associates in Consolidated Financial Statements"], the provisions of the Act to the extent applicable and other accounting principles generally accepted in India. The consolidated financial statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements. Appropriate disclosure as applicable is made of significant deviation from the Group's accounting policies which have not been adjusted. Ministry of Corporate Affairs, vide its Notification No. G.S.R. 364 (E) dated 30 March 2016, has issued Companies (Accounting Standards) Amendment Rules 2016, amending or replacing the existing accounting standards. These standards are applicable from financial year beginning on or after 1 April 2016.

Amended Accounting Standards are as follows:

(a) Valuation of Inventories (AS 2);

(b) Contingencies and Events Occurring After the Balance Sheet Date (AS 4);

(c) Accounting for Investments (AS 13);

(d) Consolidated Financial Statements (AS 21); and

(e) Provisions, Contingent Liabilities and Contingent Assets (AS 29).

Omitted Accounting Standard is as follows:

(a) Depreciation Accounting (AS 6)

Revised/ replaced Accounting Standard is as follows:

(a) 'Property, Plant and Equipment' replaced 'Accounting for Fixed Assets'(AS 10)

The Company has adopted aforesaid revised/ new accounting standards with effect from 1 April 2016. However, the adoption of above standards did not have a material impact on the standalone financial statements of the Company

c. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure and disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

d. Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Holding company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Holding company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- Accounting for investments in associate companies has been carried out under the equity method of accounting prescribed under Accounting Standard 23 - "Accounting for Investments in Associates in consolidated financial statements" wherein goodwill/ capital reserve arising at the time of acquisition, and the Group's share of profit or loss after the date of acquisition have been adjusted in the investment value.
- The consolidated foreign subsidiary has been identified as non-integral operations in accordance with the requirements of AS -11 "The Effect of Changes in Foreign Exchange rates" which is effective for the accounting periods commencing on or after 1 April 2004. In accordance with AS-11, the financial statements of such non-integral foreign operations are translated into Indian rupees as follows:
- All assets and liabilities, both monetary and non-monetary, are translated using the closing rate.
- Revenue items are translated at the average rates.

- The resulting net exchange difference is credited or debited to a foreign currency translation reserve.
- Contingent liabilities are translated at the closing rate.
- The excess/ deficit of cost to the Holding company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognised in the consolidated financial statements as goodwill/ capital reserve. The Holding company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment. Goodwill/ capital reserve arising on the acquisition of an associate by the parent company is included in the carrying amount of investment in the associate but is disclosed separately.
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

e. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting 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 Group has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

f. Fixed assets and depreciation

Fixed assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets comprises the purchase price, non-refundable taxes, duties, freight and other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

The cost of fixed assets acquired but not ready for their intended use before balance sheet date are disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are included in long-term loans and advances.

Depreciation

With effect from 1 April 2014, the Management has re-assessed and revised the estimated useful life of the tangible fixed assets as specified in Schedule II to the Companies Act, 2013. Depreciation on fixed assets is provided using the Straight Line Method ('SLM') over the useful life of assets estimated by the Company. 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 fixed assets has been provided at the rates based on the following useful lives of fixed assets as estimated by Management:

Description*	Useful life in years
Laboratory equipment	3 years
Temporary structures	1 year

*for this 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.

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or otherwise disposed off.

Leasehold improvements are amortised over the primary period of the lease or estimated useful life of the asset, whichever is lower.

g. Intangible assets and amortisation

Acquired intangible assets are recorded at the consideration paid for acquisition. Software is amortised on straight line basis over a period of three years.

h. Livestock

The Lactating cow (matured asset) purchased is initially recognised at the acquisition cost plus other costs (e.g. freight) required to bring it to the intended condition and location.

For the animals reared from conception (calf) and heifer, which are brought to maturity to make those animals productive, the cost comprises the following items:

(i) The cost of calving;

(ii) The cost of the fodder and cereals etc. that the calf or the young animal consumes till maturity; This will also include the cost of the milk that the calf is allowed to consume which otherwise would have been available for sale;

(iii) A suitable share of the overheads comprising cost of water, supervision, maintenance of sheds and manure pits, medicines, veterinary surgeon's fees, etc. less sale proceeds or value of manure. The appropriate method of apportioning the overheads is allotment of appropriate weights to the various categories of animals in terms of their age.

Thus, the cost of a newborn calf is initially represented by (i) above and increases over the maturity period by the amounts stated in (ii) and (iii) above.

These costs are accumulated under capital work-in-progress till the calf matures and is ready for producing milk at which time the amount is recognised as livestock under tangible assets.

Where a calf is purchased and then reared, the cost comprise the purchase price, freight inwards and the costs listed at (ii) and (iii) above. If at the time of purchase, the animal has attained maturity, the purchase price plus freight is considered as its cost.

The initial cost of purchased heifer is the total of the purchase price and costs incurred to bring them to the location of use. Subsequently, the cost is increased by expenses mentioned at (ii) and (iii) above.

After purchase of lactating cow or after the calf/heifer reaches maturity, the subsequent costs (fodder, overheads, etc) of maintaining the cow are recognised as expense in the statement of profit and loss.

Depreciation

The strength or the earning capacity of the animal is higher in the initial years and remains constant for some time thereafter. Depreciation is commenced when animal achieves maturity and is charged on a straight line method over the estimated (balance) life of the animal which is estimated as 5 years. Disposal value at the end of the life is taken as nil because the carcass does not fetch anything substantial. Also, the removal of carcass does not usually involve significant cost.

When an animal dies, its carrying value is written off in the statement of profit or loss in the period in which such animal dies.

i. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long term investments.

Non-current investments are carried at cost less, any other than temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist.

When Group's share of losses of an associate equals or exceeds the carrying amount of the investment, the group discontinues recognising its share of further losses and the investment in associate is reported at nil value.

Current investments are carried at the lower of cost and fair value.

j. Inventories

Inventories comprise of raw 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.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, stock-in-trade and stores and spares are valued at weighted average cost method.

Work-in progress and finished goods are valued at material cost plus fixed production overheads allocated on the basis of normal capacity of production facilities.

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 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.

k. Government grants

Government grants are recognised only when it is reasonably certain that the Company will comply with the attached conditions and the ultimate collection is not in doubt.

Where the government grants are in the nature of promoter's contribution and no repayment is ordinarily expected in respect thereof, the grants are treated as Capital Reserve which can be neither distributed as dividend nor considered as deferred income.

Where the government grants relate to specific fixed assets, the grants are treated as deferred government grant and are recognised in the statement of profit and loss in proportion to the depreciation charge over the useful life of the asset.

l. Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

<u>Post employment benefits</u>

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company contributes to the recognised provident fund which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which employees renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the statement of profit and loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

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, portion of the benefit is classified as a long-term employee benefit. Compensated absences, is accrued based on the actuarial valuation done as per projected unit credit method as at the balance sheet, carried out by an independent actuary.

m. Foreign exchange transactions

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

All monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

n. Foreign exchange transactions

Pursuant to ICAI Announcement "Accounting for derivatives" on the early adoption of Accounting Standard – 30 "Financial Instruments: Recognition and Measurement", the Company has adopted the standard, to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements. Mark to market losses and gains on other derivative contracts are recognised in the statement of profit and loss.

o. Revenue recognition

Revenue from sale of goods in the ordinary course of activities is recognised on transfer of significant risks and rewards of the ownership to customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection.

The amount of revenue recognised is net of sales returns, trade discount and VAT, wherever applicable.

Income from conversion service is recognised on accrual basis and based on the terms and conditions of the relevant agreement.

Dividend income is recognised in the year in which the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

p. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

q. Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are reflected as other long-term liabilities. Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

r. Income tax

Income tax comprises current tax, deferred tax and minimum alternate tax (MAT) credit entitlement.

Current tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax:

Deferred tax charges or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

MAT

MAT credit entitlement represents the amounts paid in a year under Section 115JB of the Income Tax Act, 1961 ('IT Act'), which is in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off in future periods in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT credit receivable", in the balance sheet with a corresponding credit to the statement of profit and loss, as a separate line item.

Such assets are reviewed at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

s. Borrowing costs

Borrowing cost directly attributable to the acquisition/ construction of the qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred in the statement of profit and loss.

t. Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares.

u. Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

v. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash in hand and balance in bank in current accounts and deposit accounts. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

w. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit 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, investing and financing

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

2.1 Share capital	As at 31 March 2017	As at 31 March 2016
Authorised		
6,000,000 (previous year: 6,000,000) equity shares of ₹ 10 each	60,000,000	60,000,000
Nil (previous year: Nil) redeemable preference shares of Rs.10 each	-	-
	60,000,000	**60,000,000**
Issued, subscribed & paid up share capital		
3,274,823 (previous year: 3,274,823) equity shares of ₹ 10 each fully paid up	32,748,230	32,748,230
Nil (previous year: 300,000) 0.001% redeemable preference shares of Rs.10 each	-	-
	32,748,230	**32,748,230**

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	3,274,823	32,748,230	3,274,823	32,748,230
Issued during the year			-	-
Outstanding at the end of the year	**3,274,823**	**32,748,230**	**3,274,823**	**32,748,230**

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

The Company has a single class of equity shares as at 31 March 2017 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, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by equity shareholders.

(ii) Compulsorily redeemable preference shares:

The Company had issued 0.001% compulsorily redeemable preference shares of ₹10 each, at par. Preference shares carried a preferential right as to dividend over equity shareholders. In the previous year the terms of compulsorily redeemable preference shares were changed and all these shares were redeemed at a premium of ₹490 per share.

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

Name of the Shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of shares	%	Number of shares	%
Mr. D. Sunil Reddy	832,124	25.41	832,124	25.41
Mrs. D. Girija Reddy	822,120	25.10	822,120	25.10
Mrs. Deepa Reddy	363,256	11.09	363,256	11.09
Mr. D. Subba Reddy	337,499	10.31	337,499	10.31
Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd	774,823	23.66	774,823	23.66

Notes to Consolidated Financial Statements

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

2.2 Reserves and surplus	As at 31 March 2017	As at 31 March 2016
Capital reserve		
Balance at the beginning of the year	17,000,000	2,000,000
Add: Grant received from Ministry of Food Processing Industries*	-	15,000,000
Balance at the end of the year	**17,425,000**	**17,000,000**
Capital redemption reserve		
Balance at the beginning and end of the year	12,000,000	12,000,000
	12,000,000	**12,000,000**
Securities premium account		
Balance at the beginning and end of the year	1,092,251,770	1,092,251,770
	1,092,251,770	**1,092,251,770**
Foreign currency translation reserve		
Balance at the beginning of the year	(38,683,793)	-
Add: Additions during the year	(32,770,011)	(38,683,793)
Balance at the end of the year	**(71,453,804)**	**(38,683,793)**
Surplus i.e. balance in statement of profit and loss		
Balance at the beginning of the year	1,271,269,314	1,010,531,018
Add: Profit for the year	438,543,403	359,275,794
	1,709,812,717	**1,369,806,812**
Appropriations		
Interim dividend on equity shares [₹ Nil per share (previous year: ₹ 25 per share)]#	-	(81,870,575)
Dividend distribution tax	-	(16,666,923)
Balance at the end of the year	**1,709,812,717**	**1,271,269,314**
	2,760,035,683	**2,353,837,291**

*Ministry of Food Processing Industries, Government of India (MOFPI) had sanctioned a grant of ₹ 60,000,000 to the Company under the scheme of 'Cold Chain, Value Addition and Preservation Infrastructure'. During the previous year, the Company had received the first installment amounting to ₹ 15,000,000 and the same had been accounted as capital reserve.

#During the previous year 2015-16, the Board of Directors in its meeting held on 31 October 2015 had declared an interim dividend aggregating to ₹ 25 per share on 3,274,823 paid up equity shares of ₹ 10 each.

2.3 Long-term borrowings	As at 31 March 2017	As at 31 March 2016
Secured		
Term loans		
- from banks (see notes below)	315,000,000	323,791,450
- from others (see note (ii) below)	-	-
	315,000,000	**323,791,450**

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

Terms of repayment for secured term loans from banks:

a) Term loan of USD 2,000,000 is an ECB loan taken from Standard Chartered Bank ('SCB') during the financial year 2012-2013 which carries interest rate equal to 3 months USD LIBOR plus 3% per annum. It is repayable in 16 quarterly installments of USD 125,000 each commencing from May 2014. The term loan is secured by first exclusive hypothecation charge on all machinery acquired using this loan and personal guarantees furnished by the promoters of the Group, Mr. Sunil Reddy and Mr. Sesha Reddy. Outstanding amount as at 31 March 2017 is ₹ 32,419,300 (previous year: ₹ 66,332,900).

b) Term loan of ₹ 55,000,000 was taken from SCB during the financial year 2013-2014 which carries interest at the rate of 10.25% per annum. It is repayable in 3 equal annual installments of ₹ 18,333,334 each commencing from November 2014. The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan and personal guarantees furnished by the promoters of the Group, Mr. Sunil Reddy and Mr. Sesha Reddy. The said loan has been repaid during the current year. Outstanding amount as at 31 March 2017 is ₹ Nil (previous year: ₹ 18,333,333).

c) Term loan of ₹ 65,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 4,062,500 each commencing from February 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 promoter of the Group, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 65,000,000 (previous year: ₹ 65,000,000).

d) Term loan of ₹ 100,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 6,250,000 each 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 promoter of the Group, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 100,000,000 (previous year: ₹ 100,000,000).

e) Term loan of ₹ 50,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 3,125,000 each commencing from September 2016. 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 promoter of the Group, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 40,625,000 (previous year: ₹ 50,000,000).

f) Term loan of ₹ 25,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 1,562,500 each 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 promoter of the Group, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 25,000,000 (previous year: ₹ 25,000,000).

g) Term loan of ₹ 60,000,000 was taken from HDFC Bank during the financial year 2015-2016 which carries interest at the rate of 10.40% per annum. It is repayable in 16 equal quarterly installments of ₹ 3,750,000 each 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 promoter of the Group, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 60,000,000 (previous year: ₹ 60,000,000).

h) Term loan of ₹ 70,000,000 was taken from HDFC Bank during the financial year 2016-2017 which carries interest at the rate of 9.05% per annum. It is repayable in 16 equal quarterly installments of ₹ 4,375,000 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 promoter of the Group, Mr. Sunil Reddy. Outstanding amount as at 31 March 2017 is ₹ 70,000,000 (previous year: ₹ Nil).

2.4 Long-term provisions	**As at 31 March 2017**	**As at 31 March 2016**
Provision for employee benefits		
Gratuity (refer note 2.31)	34,126,361	17,606,172
Compensated absences	54,537,873	35,328,188
	88,664,234	**52,934,360**

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

2.5 Short-term borrowings	As at 31 March 2017	As at 31 March 2016
Loans repayable on demand from banks		
Secured		
Cash credit	-	15,489,316
Overdraft	343,371,449	341,777,754
Other loans from banks		
Secured		
Working capital demand loans	625,000,000	250,000,000
Unsecured		
Working capital demand loan	-	100,000,000
	968,371,449	**707,267,070**

Terms of repayment of short term borrowings from banks

Secured

i) ICICI Bank:

a) The Group has taken cash credit facility from ICICI Bank, secured by way of pari passu first charge on entire current asset of the Group and pari passu second charge on all the fixed assets of the Group both present and future. Interest rate ranges from 7.50% to 9.00% per annum.

b) The Group has taken bank overdraft facility from ICICI Bank, secured by way of pari passu first charge on the selected investments of the Group in the Mutual Funds and carries an interest rate ranging from 8.50% to 9.50% per annum.

ii) Standard Chartered Bank (SCB): The Group has taken working capital demand loan and pre-shipment finance facility from SCB. All these facilities are secured by pari passu hypothecation charge on entire current asset of the Group, second charge on all the fixed assets of the Group, both present and future and personal guarantees furnished by the promoter of the Group, Mr. Sunil Reddy. Interest rate on these facilities ranges from 7.50% to 9.00% per annum.

iii) Kotak Mahindra Bank: The Group has taken cash credit and working capital demand loan facility from Kotak Mahindra Bank. All these loan facilities are secured by pari passu first charge on all the current assets of the Group and second charge on all the fixed assets of the Company including equitable mortgage on the specified property of the Group, both present and future (other than assets exclusively charged to term lenders) and personal guarantees furnished by the promoter of the Group, Mr. Sunil Reddy. Interest rate on cash credit ranges from 9.30% to 10.00% per annum and interest rate on working capital demand loan ranges from 7.50% to 9.00% per annum.

iv) HDFC Bank:

a) The Group has taken cash credit and working capital demand loan facility from HDFC Bank. All these facilities are secured by pari passu first charge on all the current assets of the Group and second charge on all the fixed assets of the Group other than those financed by ICICI Bank and SCB Bank and personal guarantees furnished by the promoters of the Group, Mr. Sunil Reddy and Mr. Sesha Reddy. Cash credit carries an interest rate of 9.80% per annum and working capital demand loan carries an interest rate of 8.00% to 9.00% per annum.

b) The Group has taken bank overdraft facility from HDFC Bank, secured by way of pari passu first charge on the selected investments of the Group in the Mutual Funds and carries an interest rate ranging from 8.50% to 9.50% per annum.

v) Hongkong and Shanghai Banking Corporation (HSBC Bank): The Group has taken working capital demand loan facility from HSBC Bank. All these facilities are secured by pari passu hypothecation charge on entire current asset of the Group, second charge on all the fixed assets of the Group both present and future and personal guarantees furnished by the promoter of the Group, Mr. Sunil Reddy. Interest rate on these facilities ranges from 7.60% to 9.10% per annum.

Unsecured

v) HDFC Bank: The Group had taken a short-term loan from HDFC Bank, secured by post dated cheques and personal guarantees furnished by the director of the Group, Mr Sunil Reddy and carries an interest rate of 9.30 to 10.25% per annum.

Notes to Consolidated Financial Statements

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

2.6	Trade payables	As at 31 March 2017	As at 31 March 2016
	- Total outstanding dues of micro enterprises and small enterprises (refer note 2.38)	7,510	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	427,003,452	368,153,067
		427,010,962	**368,153,067**

2.7	Other current liabilities	As at 31 March 2017	As at 31 March 2016
	Current maturities of long term debt from banks (refer note 2.3)	78,044,300	60,874,783
	Current maturities of long term debts from other than banks (see note (i) below)	-	-
	Interest accrued but not due on borrowings	4,625,148	5,380,192
	Derivative financial liabilities		
	Capital creditors	40,042,536	17,537,795
	Creditors for expenses	87,645,465	71,024,520
	Advance from customers	24,076,345	21,655,864
	Security deposits	60,025,005	39,626,691
	Employee payables	58,187,696	61,716,919
	Statutory liabilities	24,047,406	15,835,780
	Other payables	2,223,943	1,769,530
		378,917,844	**295,422,074**

2.8	Short-term provisions	As at 31 March 2017	As at 31 March 2016
	Provision for employee benefits		
	Gratuity (refer note 2.31)	3,838,620	2,730,695
	Compensated absences	6,159,710	2,861,574
	Other provisions		
	Provision for taxation (net of advance tax)	109,422,179	93,927,813
	Provision for wealth tax	-	-
		119,420,509	**99,520,082**

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

2.9 Fixed assets

Description	Gross block					Depreciation and amortisation					Provision for impairment					Net block	
	As at 1 April 2016	Additions	Deletions	Forex adjustment	As at 31 March 2017	As at 1 April 2016	Charge for the year	Deletions	Forex adjustment	As at 31 March 2017	As at 1 April 2016	Transfer from CWIP	Charge for the year	Deletions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Tangible assets, owned																	
Freehold land	305,903,268	38,932,216	-	-	344,835,484	-	-	-	-	-	-	-	-	-	-	344,835,484	305,903,268
Leasehold land	29,756,715	-	-	(2,607,510)	27,149,205	940,316	580,040	-	(108,974)	1,411,382	-	-	-	-	-	25,737,823	28,816,399
Buildings	470,791,162	266,973,822	1,767,890	(5,519,154)	730,477,940	55,272,447	16,912,328	1,704,501	(256,499)	70,223,775	-	-	-	-	-	660,254,165	415,518,715
Plant and equipment	1,108,367,596	522,011,009	24,987,000	(13,783,525)	1,591,608,080	267,955,316	86,034,240	8,950,834	(1,084,087)	343,954,635	-	-	-	-	-	1,247,653,445	840,412,280
Electrical installation	77,403,622	31,161,492	443,716	-	108,121,398	28,036,956	8,004,593	371,300	-	35,670,249	-	-	-	-	-	72,451,149	49,366,666
Electronic data processors	39,426,292	6,771,610	5,731,016	-	40,466,886	33,194,027	4,056,688	5,652,857	-	31,597,858	-	-	-	-	-	8,869,028	6,232,265
Office equipments	13,568,141	9,226,890	1,849,039	(11,097)	20,934,895	7,739,057	2,344,796	1,823,143	(1,850)	8,258,860	-	-	-	-	-	12,676,035	5,829,084
Furniture and fixtures	19,997,085	25,791,619	774,691	(18,975)	44,995,038	5,789,865	2,405,872	693,793	(2,142)	7,499,802	-	-	-	-	-	37,495,236	14,207,220
Laboratory equipment	213,338,045	76,412,170	4,726,904	(120,338)	284,902,973	97,084,776	65,316,312	4,230,366	(3,717)	158,167,005	-	-	-	-	-	126,735,968	116,253,269
Vehicles	33,249,235	4,318,417	7,304,883	(759,885)	29,502,884	9,664,907	3,975,850	3,030,034	(146,514)	10,464,209	-	-	-	-	-	19,038,675	23,584,328
Live stock (refer note 1)	56,856,046	28,485,712	15,674,632	-	69,667,126	7,547,361	11,565,095	2,957,078	-	16,155,378	36,415,059	19,783,450	(8,432,386)	10,368,818	37,397,305	16,114,443	12,893,626
Total (A)	**2,368,657,207**	**1,010,084,957**	**63,259,771**	**(22,820,484)**	**3,292,661,909**	**513,225,028**	**201,195,814**	**29,413,906**	**(1,603,783)**	**683,403,153**	**36,415,059**	**19,783,450**	**(8,432,386)**	**10,368,818**	**37,397,305**	**2,571,861,451**	**1,819,017,120**
Previous year	1,750,188,288	647,809,461	17,092,002	(12,248,540)	2,368,657,207	354,110,361	165,993,674	6,258,067	(620,940)	513,225,028	18,516,007	24,011,732	294,499	6,407,179	36,415,059	1,819,017,120	
Intangible assets, owned																	
Computer software	8,588,842	2,492,452	-	(71,282)	11,010,012	6,413,338	1,301,340	-	(40,295)	7,674,383	-	-	-	-	-	3,335,629	2,175,504
Total (B)	**8,588,842**	**2,492,452**	**-**	**(71,282)**	**11,010,012**	**6,413,338**	**1,301,340**	**-**	**(40,295)**	**7,674,383**	**-**	**-**	**-**	**-**	**-**	**3,335,629**	**2,175,504**
Previous year	6,345,211	2,277,076	-	(33,445)	8,588,842	4,137,450	2,286,003	-	(10,115)	6,413,338	-	-	-	-	-	2,175,504	
Grand total (A+B)	**2,377,246,049**	**1,012,577,409**	**63,259,771**	**(22,891,766)**	**3,303,671,921**	**519,638,366**	**202,497,154**	**29,413,906**	**(1,644,078)**	**691,077,536**	**36,415,059**	**19,783,450**	**(8,432,386)**	**10,368,818**	**37,397,305**	**2,575,197,080**	**1,821,192,624**

Notes to Consolidated Financial Statements

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

2.10 Non-current investments	**As at 31 March 2017**	**As at 31 March 2016**
Trade investments		
Trade investments, unquoted at cost		
Investments in equity instruments of associate company		
Global VetMed Concepts India Private Limited		
[(3,866,923 (previous year: 3,866,923) equity shares of face value ₹ 10 each, fully paid up] (refer note 2.43)	38,669,230	38,669,230
Less: Provision for other than temporary diminution in the value of investment	(38,669,230)	(38,669,230)
	-	-
Aggregate book value of non-current investments - unquoted	38,669,230	38,669,230
Aggregate provision for diminution in the value of investment	38,669,230	38,669,230

2.11 Long-term loans and advances	**As at 31 March 2017**	**As at 31 March 2016**
Unsecured, considered good		
To other than related parties		
Deposits	45,890,718	35,719,858
Capital advances	225,256,969	305,234,977
Income tax paid under protest	74,926,887	31,012,275
Advance tax (net of provision for tax)	43,544,663	44,157,676
Unsecured, considered doubtful		
Capital advances	2,525,751	2,525,751
Less : Provision for doubtful advances	(2,525,751)	(2,525,751)
To related parties	-	-
Unsecured, considered good	-	2,525,751
Advances to key managerial person	5,400,000	-
	395,019,237	**416,124,786**

2.12 Other non-current assets	**As at 31 March 2017**	**As at 31 March 2016**
Balance with bank held as margin money* (refer note 2.16)	500,000	-
	500,000	**-**

* Represents margin money deposit against bank guarantee.

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

2.13 Current investments	As at 31 March 2017	As at 31 March 2016
Non-trade investment, quoted (at lower of cost or fair value)		
Quoted (at lower of cost or fair value)		
Investments in mutual funds		
Nil (previous year: 13,145.89) units of Franklin India Short Term Income Plan - Retail Plan - Growth	-	30,000,000
5,000,000.00 (previous year: 5,000,000.00) units of HDFC FMP 1175D Regular Growth plan*	50,000,000	50,000,000
5,000,000.00 (previous year: 5,000,000.00) units of HDFC FMP 3360D Regular Quarterly Dividend plan	50,000,000	50,000,000
12,754,370.24 (previous year: 11,995,346.91) units of ICICI Prudential Regular Income Fund-Regular Plan-Monthly Dividend [net of provision for diminution in the value of investment ₹ 166,562 (previous year: ₹ Nil)]*	135,462,891	127,565,716
8,579,477.92 (previous year: 8,215,465.82) units of DHFL Pramerica Short Maturity Fund - Monthly Dividend*	108,482,377	103,770,928
Nil (previous year: 10,774,894.38) units of ICICI Prudential Regular Saving Fund [net of provision for diminution in the value of investment ₹ Nil (previous year: ₹ 577,980)]*	-	111,372,541
Nil (previous year: 5,123,535.84) units of L & T Income Oppurtunities Fund - Dividend*	-	54,407,609
3,756,567.29 (previous year: 3,671,267.03) units of TSTD Tata Short Term Bond Fund Regular Plan-Fortnightly Dividend*	52,105,954	50,868,343
Nil (previous year: 2,285,680.52) units of Reliance Short Term Fund*	-	31,806,021
3,172,235.89 (previous year: Nil) Birla Sunlife ST Opportunities Fund - Growth*	80,000,000	-
3,646,157.03 (previous year: Nil) Reliance Corporate Bond Fund Growth Plan*	44,000,000	-
1,626,589.31 (previous year: Nil) UTI Short Term Income Fund Institutional Option Growth*	30,000,000	-
1,861,262.61 (previous year: Nil) L148G SBI ST Debt Fund-Regular Plan-Growth*	33,000,000	-
1,463,436.05 (previous year: Nil) Kotak Flexi Debt Scheme Plan A - Growth *	30,000,000	-
721,915.55 (previous year: Nil) IDFC Super Saver Income Fund - Growth*	28,000,000	-
	641,051,222	**609,791,158**
Aggregate write-down due to valuation of current investments at fair value	166,562	577,980
Aggregate book value of current investments - quoted	641,051,222	609,791,158
Aggregate market value of current investments - quoted	683,560,111	637,101,253

*The investment in mutual funds have been hypothecated against the overdraft facility taken from ICICI Bank & HDFC Bank (refer note 2.5(i)(b) and note 2.5(iv)(b))

*The investment in mutual funds have been hypothicated against the overdraft facility taken from ICICI bank (refer note 2.5 (i)(b)).

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

2.14 Inventories	**As at 31 March 2017**	**As at 31 March 2016**
(valued at the lower of cost and net realisable value)		
Raw materials	188,247,624	49,849,086
Work in progress	244,571,362	297,656,562
Finished goods*	394,557,813	540,364,680
Stock-in-trade	-	358,178
Stores and spares	24,582,399	16,101,432
	851,959,198	**904,329,938**

*include goods-in-transit amounting to ₹ 16,893,995 (previous year: ₹ 25,108,436).

2.15 Trade receivables	**As at 31 March 2017**	**As at 31 March 2016**
Outstanding for a period exceeding six months from the date they became due for payment		
- Unsecured, considered good	-	-
- Unsecured, considered doubtful	1,333,015	3,033,365
Other debts		
- Unsecured, considered good	14,276,366	20,370,170
	15,609,381	23,403,535
Less: Provision for doubtful receivables	(1,333,015)	(3,033,365)
	14,276,366	**20,370,170**

2.16 Cash and cash equivalents	**As at 31 March 2017**	**As at 31 March 2016**
Cash on hand	20,304,041	13,242,130
Balances with banks		
- in current accounts#	91,315,330	104,952,850
	111,619,371	**118,194,980**
#Current account balances with banks include funds which are not freely available amounting to ₹ 13,534,264 (previous year: ₹ 13,534,264) (refer note 2.35(c))		
Details of bank balances/ deposits		
Bank balances available on demand or deposit with original maturity of three months or less included under 'Cash and cash equivalents'	91,315,330	104,952,850
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	-	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets'	500,000	-
	91,815,330	**104,952,850**

Notes to Consolidated Financial Statements

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

2.17 Short-term loans and advances	**As at 31 March 2017**	**As at 31 March 2016**
To other than related parties		
Unsecured, considered good		
Advance for supply of goods and services	241,812,496	11,220,223
Prepaid expenses	14,117,294	8,020,239
Advance tax [Net of provision for tax ₹ (previous year ₹ Nil)]	-	-
Employee advances	3,128,536	2,878,546
MAT credit entitlement	-	-
Inter corporate deposits	-	-
Other advances	34,564,076	12,906,507
To related parties		
Unsecured, considered good		
Advance for supply of goods and services	3,916,844	-
Loan to director (refer note 2.36)	12,500,000	12,500,000
Advances to key managerial person	2,400,000	3,478,494
Other advances	-	-
Unsecured, considered doubtful		
Share application money pending allotment - Dodla Milk Processing Plc - Ethiopia (refer note 2.35(c))	2,299,566	2,299,566
Other advances	53,635,701	53,635,701
Less : Provision for doubtful advances	(55,935,267)	(55,935,267)
	312,439,246	**51,004,009**

Share application money pending allotment to related parties and short-term loans and advances to related parties above represents the amount due from directors or other officers, or any of them, either severally or jointly with any other person or from firm or private companies in which any director is a partner or a director or a member.

2.18 Other current assets	**As at 31 March 2017**	**As at 31 March 2016**
Interest accrued	1,387,787	1,303,275
Derivative financial assets	4,877,419	11,281,104
	6,265,206	**12,584,379**

Notes to Consolidated Financial Statements

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

2.19	Revenue from operations	For the year ended 31 March 2017	For the year ended 31 March 2016
	Sale of products		
	- Finished goods	14,408,136,080	11,976,614,697
	- Traded goods	-	26,039,147
		14,408,136,080	**12,002,653,844**
	Sale of services		
	- Conversion service charges	1,191,283	5,094,049
		1,191,283	**5,094,049**
	Other operating revenue		
	- Sale of scrap	5,934,375	5,717,939
		5,934,375	**5,717,939**

2.20	Other income	For the year ended 31 March 2017	For the year ended 31 March 2016
	Interest income		
	- on deposits	22,919	185,472
	- on others	3,438,570	2,757,543
	Dividend income on current investment	19,557,032	23,033,478
	Profit on sale of current investments, net	14,947,184	23,158,785
	Net gain on account of foreign exchange fluctuations	1,948,593	5,435,861
	Other non-operating income	6,903,569	5,437,521
		46,817,867	**60,008,660**

2.21	Cost of materials consumed	For the year ended 31 March 2017	For the year ended 31 March 2016
	Inventory of materials at the beginning of the year	49,849,086	285,774,490
	Purchases	11,278,868,735	8,664,987,036
	Inventory of materials at the end of the year	(188,247,624)	(49,849,086)
	Foreign currency translation adjustment	(928,150)	(363,012)
		11,139,542,047	**8,900,549,428**
	Break up of cost of material consumed		
	Consumption of raw material	10,652,806,059	8,557,445,004
	Consumption of packing material	486,735,988	343,104,424
		11,139,542,047	**8,900,549,428**

Notes to Consolidated Financial Statements

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

2.22	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
	a) Finished goods		
	Opening stock	540,364,680	697,192,692
	Closing stock	(394,557,813)	(540,364,680)
		145,806,867	**156,828,012**
	b) Work-in-progress		
	Opening stock	297,656,562	425,422,442
	Closing stock	(244,571,362)	(297,656,562)
		53,085,200	**127,765,880**
	c) Stock-in-trade		
	Opening stock	358,178	508,134
	Closing stock	-	(358,178)
		358,178	**149,956**
	d) Foreign currency translation adjustment	(718,460)	(240,259)
		198,531,785	**284,503,589**

2.23	**Employee benefits expense**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
	Salaries, wages and bonus	491,704,725	436,369,925
	Contribution to provident and other funds	51,613,634	40,925,226
	Staff welfare expenses	6,644,456	7,614,222
		549,962,815	**484,909,373**

2.24	**Finance costs**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
	Interest expense	72,870,413	96,917,394
	Interest on income tax	6,561,792	21,033,931
	Other borrowing costs	864,800	3,824,190
		80,297,005	**121,775,515**

Notes to Consolidated Financial Statements

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

2.25	Other expenses	For the year ended 31 March 2017	For the year ended 31 March 2016
	Power and fuel	232,545,642	184,023,885
	Consumption of stores and spares	107,935,553	87,834,490
	Conversion and processing charges	626,406	8,762,597
	Milk procurement expenses	10,589,425	12,419,945
	Freight inward and handling	352,824,678	279,113,499
	Repairs and maintenance:		
	- building	13,705,395	14,953,545
	- machinery	10,087,143	6,482,229
	- other assets	4,518,628	7,075,436
	Rent (refer note 2.37)	47,449,789	53,291,765
	Rates and taxes	22,380,345	12,513,886
	Communication expenses	10,395,464	9,267,697
	Printing and stationery	5,052,760	4,502,628
	Travelling and conveyance	47,666,686	53,178,762
	Vehicle hire charges	8,009,791	6,891,998
	Bank charges	6,127,064	7,070,828
	Legal and professional charges (refer note 2.33)	49,426,526	32,797,920
	Security expenses	24,822,543	17,295,474
	Bad debts written off	2,749,186	-
	Advances written off	-	333,498
	Provision for doubtful receivables	(2,585,350)	1,041,884
	Provision for doubtful advances	-	(19,879,528)
	Provision for diminution in value of investment in an associate	-	38,669,230
	Provision for diminution in value of investment in mutual funds	(411,418)	(532,994)
	Insurance	10,138,090	7,661,991
	Loss on sale/ retirement of fixed assets, net	18,929,746	4,123,221
	Miscellaneous expenses	28,937,368	20,841,262
	Freight and forwarding	176,447,166	156,795,365
	Advertisement expenses	75,439,152	39,486,375
	Distribution expenses	364,153,369	275,000,070
		1,627,961,147	**1,321,016,958**

Notes to Consolidated Financial Statements

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

2.26	Tax for earlier years	For the year ended 31 March 2017	For the year ended 31 March 2016
	- Current tax for earlier years	-	97,544,879
	- MAT Credit reversed	-	41,212,710
	- Deferred tax charge in respect of earlier years	-	3,510,521
		-	142,268,110

The Company avails the benefit given under Section 80IB(11A) of the Income-tax Act, 1961 ('Act') with respect to the income generated from its milk processing units and processing plants. The Company believes that the basic criteria i.e. 'processing, preservation and packaging', as envisaged for claiming deduction under section 80IB(11A) of the Act, has been satisfied. However, with respect to the Assessment Years commencing from 2010-11 to 2014-15 the assesing officer has disallowed the deduction claimed under Section 80IB(11A) of the Act. Such disallowance has been made on the ground that the Company had not satisfied the conditions of above mentioned section towards its operations at milk processing units. The Management had preferred an appeal before the Commissioner of Income Tax (Appeals) and is contesting the matter. Since the matter is under appeal, the Company created a provision for Income-tax on account of this dispute for the Assessment Years commencing from 2010-11 to 2015-16. Also, the Company reversed the MAT credit asset recognised in the earlier year, which got created due to claiming of deduction under Section 80IB(11A) of the Act in the earlier years. Further during the year 2014-15, the deferred tax liability amounting to ₹ 3,510,521 with respect to timing differences that would get reversed within the tax holiday period was not considered by the Company. The same has also been considered during the year 2015-16 while making the above provision.

2.27 Commitments and contingent liabilities

Particulars		As at 31 March 2017	As at 31 March 2016
(i)	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account (net of advances)	79,970,573	120,440,225
(ii)	**Contingent liabilities**		
	Claims against the Group not acknowledged as debts :		
	- Income tax matters	993,322	993,322
	- Sales tax matters	4,090,740	-

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.

2.28 Corporate social responsibility

The provisions of Section 135 of the Act are not applicable to the following subsidiaries for the current financial year:

- Dodla Holdings Pte Limited ('DHPL')
- Lakeside Dairy Limited ('LDL')

The provisions of Section 135 of the Act are applicable to Dodla Dairy Limited.

Gross amount required to be spent by the Company during the year amounts to ₹ 8,476,378 (previous year: ₹ 6,644,960).

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

Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
Construction or acquisition or of assets	-	-	-
Purposes other than construction or acquisition of assets	224,110	-	224,110

2.29 Description of the Group

Dodla Dairy Limited ("the Ultimate Holding Company") together with its subsidiaries and associate entities (collectively referred to as "the Group" or "Dodla Dairy Group") is headquartered in Hyderabad, India. The Group is engaged in the business of processing/ production of milk and production of milk products.

Dodla Dairy's subsidiaries and associate entity are listed below:

Entity	Country of incorporation	Percentage holding (%) As at 31 March 2017	Percentage holding (%) As at 31 March 2016
Subsidiary			
Dodla Holdings Pte Ltd ('DHPL')	Singapore	100.00%	100.00%
Step down subsidiary			
Lakeside Dairy Limited ('LDL')	Uganda	100.00%	100.00%
Associate			
Global VetMed Concepts India Private Limited (GVC)*	India	47.94%	47.94%

*Associate with effect from 31 March 2016.

2.30 Deferred tax liabilities (net):

Deferred tax liability, net included in the consolidated balance sheet comprises the following:

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred tax assets:		
- Provision for gratuity	13,139,680	7,038,590
- Provision for leave encashment	20,448,446	13,217,477
- Provision for bonus	8,748,783	7,261,470
- Provision for doubtful debts and advances	20,388,417	21,399,606
- Carried forward losses	4,838,260	9,783,633
Total (A)	**67,563,586**	**58,700,776**
Deferred tax liabilities:		
- Excess of depreciation on fixed assets under Income-tax Act over depreciation provided in accounts	180,794,091	140,684,353
- Others	6,655,614	5,013,725
Total (B)	**187,449,705**	**145,698,078**
Deferred tax liabilities, net (B-A)	**119,886,119**	**86,997,302**

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

In view of accumulated losses relating to one of its subsidiary company and the absence of the virtual certainty supported by convincing evidence as required under – "Accounting for taxes on income", net deferred tax assets on carried forward losses and other temporary differences (after considering the deferred tax liability on fixed assets) have not been recognised as there are no timing differences, the reversal of which, will result in sufficient taxable income. Accordingly, the Group recognised deferred tax asset only to the extent of deferred tax liability in respect of that subsidiary.

2.31 Employee Benefits

Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the consolidated statement of profit and loss as they accrue.

Defined benefit plans

The Group provides its employees with 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 ₹ 1,000,000.

The following table summarises the position of assets and obligations of gratuity:

Particulars	**As at 31 March 2017**	**As at 31 March 2016**
Present value of defined benefit obligation	60,227,291	42,604,614
Fair value of plan assets	(22,262,310)	(22,267,747)
Liability recognised in consolidated balance sheet	**37,964,981**	**20,336,867**

Classification into current/ non-current	**As at 31 March 2017**	**As at 31 March 2016**
Current benefit obligation (refer note 2.8)	3,838,620	2,730,695
Non-current benefit obligation (refer note 2.4)	34,126,361	17,606,172
Liability recognised in consolidated balance sheet	**37,964,981**	**20,336,867**

Movement in present value of the defined benefit obligation:	**As at 31 March 2017**	**As at 31 March 2016**
Opening defined benefit obligation	42,604,614	29,784,544
Interest cost	3,113,937	2,267,780
Current service cost	12,203,551	9,167,374
Benefits paid	(1,725,657)	(1,196,380)
Actuarial losses on obligation	4,030,846	2,581,296
Closing defined benefit obligation	**60,227,291**	**42,604,614**

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

Movement in fair value of plan assets	**As at 31 March 2017**	**As at 31 March 2016**
Opening fair value of plan assets	22,267,747	13,130,621
Expected returns	1,716,511	1,422,545
Contributions	102,938	9,079,104
Benefits paid	(1,725,657)	(1,196,380)
Actuarial losses on assets	(99,229)	(168,143)
Closing fair value of plan assets	**22,262,310**	**22,267,747**
Expense recognised in the consolidated statement of profit and loss	**As at 31 March 2017**	**As at 31 March 2016**
Current service cost	12,203,551	9,167,374
Interest cost	3,113,937	2,267,780
Expected return on plan assets	(1,716,511)	(1,422,545)
Net actuarial losses recognised in the year	4,130,075	2,749,439
Net benefit expense	**17,731,052**	**12,762,048**

Actual return on plan assets	**As at 31 March 2017**	**As at 31 March 2016**
Expected return on plan assets	1,716,511	1,422,545
Actuarial (losses) on plan assets	(99,229)	(168,143)
Actual return on plan assets	1,617,282	1,254,402

Principal actuarial assumptions	**As at 31 March 2017**	**As at 31 March 2016**
Salary escalation rate	12.00%	12.00%
Discount rate	6.69%	7.46%
Attrition rate	8.00%	8.00%
Retirement age	58 years	58 years

Composition of plan assets: The Company makes annual contribution to the Life Insurance Corporation ('LIC') of an amount advised by LIC. The Company was not informed by LIC of the investments made by them or the break-up of plan assets into various types of investment.

Salary escalation rate: The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at consolidated balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Notes to Consolidated Financial Statements

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

2.32 Earnings per share ('EPS')

The computation of EPS is set out below

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Earnings		
Profits attributable to equity shareholders	438,543,403	359,275,794
Shares		
Weighted average number of equity shares outstanding during the period	3,274,823	3,274,823
Basic and diluted earnings per share of face value of ₹10	133.91	109.71

The Group has no potentially dilutive equity shares.

2.33 Auditors' remuneration (included in legal and professional, including service tax)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Audit fees		
Statutory audit	5,540,236	5,864,846
Other services	651,523	1,655,048
Out-of-pocket expenses	252,958	358,147
Total	**6,444,717**	**7,878,041**

2.34 Segment reporting

The Group is engaged in the business of processing and selling milk and milk products. Management is of the view that the risks and returns for these products are not significantly different and accordingly considers this a single reportable segment in terms of Accounting Standard 17 - "Segment Reporting".

The Group sells its products within and outside India. The related geographical segment information is given below:

Particulars	As at 31 March 2017		
	India	Foreign	Total
Revenue from customers	14,114,662,196	300,599,542	14,415,261,738
Segment assets	4,856,273,126	357,015,638	5,213,288,764
Additions to fixed assets (including CWIP)	887,513,668	59,494,277	947,007,945

Particulars	As at 31 March 2016		
	India	Foreign	Total
Revenue from customers	11,820,096,149	193,369,683	12,013,465,832
Segment assets	4,015,618,640	308,504,706	4,324,123,346
Additions to fixed assets (including CWIP)	852,750,315	108,639,967	961,390,282

Notes to Consolidated Financial Statements

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

2.35 Related party disclosures

(i) Names of related parties and description of relationship:

Nature of relationship	Name of the party
Entity where control exists	Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd
Associate	Global VetMed Concepts Private Limited ('GVC') (from 31 March 2016)
Key management personnel ('KMP')	Mr. Sunil Reddy, Managing Director Mr. B.V.K. Reddy, CEO
Relatives of KMP	Mr. Sesha Reddy, Father of Mr. Sunil Reddy Mrs. Surekha Reddy, Sister of Mr. Sunil Reddy Ms. Shilpa Reddy, Daughter of Mr. Sunil Reddy
Enterprise over which KMP have significant influence	Dodla Dairy, Vinjimuru Oremus Corporate Services Private Limited (from 15 June 2015) D Soft India Private Limited Surekha Milk Chilling Centre Dodla Engineering, a Partnership Firm Indian Dairy Association

(ii) Details of transactions with the above related parties:

Transactions	For the year ended 31 March 2017	For the year ended 31 March 2016
Lease rent paid		
- Dodla Dairy, Vinjumur	1,200,000	1,200,000
- Surekha Milk Chilling Centre	900,000	900,000
Software maintenance expenses		
- D Soft India Private Limited	600,000	600,000
Remuneration paid		
- Mr. Sunil Reddy	25,043,102	31,535,022
- Mr. B.V.K. Reddy	17,340,955	30,696,000
Advertisement Charges		
- Indian Dairy Association	103,680	137,925
Purchase of raw material		
- GVC	6,240,860	8,311,435
Sale of finished goods, (net of discounts)		
- Mr. Sunil Reddy	45,000	-
- Mrs. Surekha Reddy	17,099	16,691
Expenditure incurred on behalf of		
- GVC	6,907,726	20,805,626

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

Consultancy expense		
- Oremus Corporate Services Private Limited	1,034,250	2,676,218
- Mr. Sesha Reddy	3,600,000	3,600,000
- Ms. Shilpa Reddy	50,000	-
Unsecured loans given		
- Mr. Sunil Reddy	-	25,000,000
Unsecured loans repaid		
- Mr. Sunil Reddy	-	12,500,000
Interest income		
- Mr. Sunil Reddy	1,125,001	294,164
Investment made in the shares		
- Shares subscribed in GVC (adjusted from amount receivable)	-	38,569,230
- Shares of GVC purchased from Mr. Sunil Reddy	-	99,990

(iii) Balances with related parties:

Particulars	**As at 31 March 2017**	**As at 31 March 2016**
Short term loans and advances		
- GVC - Other advances	57,552,545	53,635,701
- Mr. Sunil Reddy – Advance given against salary	-	3,478,494
- Mr. Sunil Reddy – Loan to director	12,500,000	12,500,000
- Mr. B.V.K. Reddy – Advance given against salary	78,00,000	-
- GVC – Provision for doubtful advances	(53,635,701)	(53,635,701)
Other current assets		
- Mr. Sunil Reddy – Interest accrued	95,548	95,548
Other current liabilities		
- Oremus Corporate Services Private Limited – Consultancy fees payable	86,250	275,000
- Mr. Sunil Reddy- Remuneration payable	844,376	-
- Ms. Shilpa Reddy	50,000	
- Mr. B.V.K Reddy- Remuneration payable	-	10,564,091

Notes:

a. The borrowings of the Group are secured by personal guarantees given by Mr. Sunil Reddy and Mr. Sesha Reddy as detailed in Note 2.3 & 2.5.

b. Remuneration paid to Mr. Sunil Reddy and Mr. B.V.K. Reddy does not include gratuity and compensated absences as this is provided in the books of account on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.

c. During the year 2014-15, the Board of directors of the Company has decided to wind up Dodla Milk Processing Plc since it does not intend to pursue the business opportunities in Ethiopia and it stands dissolved on 24 November 2015. Shares of Dodla Milk Processing Plc were not allotted to the Company. Subsequently, the Company had initiated process of settling the dues and repatriating the funds to India and has received ₹ 13,534,264, which was deposited in nostro account with Authorised dealer. The Company is required to obtain approval from Reserve Bank of India ('RBI') to utilise these funds.

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

Accordingly, the Company had made necessary application with RBI, who in turn has issued a letter to the Company intimating the contravention made by the Company and advised the Company to file an application for compounding of the contraventions. The Company has filed the requisite applications to the RBI for compounding of the contraventions. Further, Management of the Company expects the offence to be compounded. The Company has provided for balance amount of ₹ 2,299,566 lying in share application money and not repatriated, which has been incurred on winding up activities of this subsidiary.

2.36 Details of loan given under Section 186 of the Companies Act, 2013

Pursuant to a scheme approved by the members by a special resolution in their meeting dated 6 July 2015, the Group, during the previous year, has given an unsecured personal loan to the Managing Director, Mr. Sunil Reddy, carrying an interest rate of 9% p.a.

Movement in the balance during the year:

Particulars	Amount
Balance at the beginning of the year	12,500,000
Additional loan given during the year	-
Loan repaid during the year	-
Balance at the end of the year	12,500,000

2.37 Leases

The Group has certain operating leases for plants, chilling centres and milk parlours (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expense of ₹ 47,449,789 (previous year: ₹ 52,291,765) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

2.38 Dues to Micro and Small Enterprises

The Ministry of Micro and Small 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 31 March 2017 has been made in the consolidated 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 ('MSMEDA') is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	7,510	Nil
The amount of interest paid by the Group along with the amounts of the payment made to the supplier beyond the appointed day during the period	Nil	Nil
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 period) but without adding the interest specified under this Act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the period		Nil
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	Nil	Nil

Note: The list of undertakings covered under MSMEDA was determined by the Group on the basis of information available with the Group.

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

2.39 Provision for impairment of live stock

The charge for the current year is as follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Capital work-in-progress	16,240,312	20,808,804
Tangible fixed assets	(8,432,386)	294,499
Total provision created for the year	**7,807,926**	**21,103,303**

2.40 Hedging and derivatives

a. The following is the nominal value of outstanding derivative contracts entered into by the Group for hedging currency and interest rate related risks as at 31 March 2017:

Particulars	As at 31 March 2017		As at 31 March 2016	
	USD	Equivalent	USD	Equivalent
Cross currency swap and interest rate swap	500,000	27,162,500	1,000,000	54,325,000

b. The particulars of un-hedged foreign currency exposure as at balance sheet date is as under:

Particulars	Currency	As at 31 March 2017		As at 31 March 2016	
		Foreign currency	₹	Foreign currency	₹
Capital advances	EURO	3,299	228,448	-	-
Capital creditors	USD	35,600	2,308,254	35,600	2,361,451
Advance for supply of goods	USD	77,158	5,002,817	2,236	148,289
Advance for supply of goods	EURO	6,500	450,109	13,680	1,027,306
Cash on hand	USD	604,047	39,165,562	307,606	20,404,398
Trade receivables	USD	58,201	3,773,671	-	-
Advance from customers	USD	21,506	1,394,419	-	-
Trade payables	USD	13,820	896,069	-	-

2.41 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. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of November 2017, as required by law. The Management is of the opinion that its domestic and 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.

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

2.42 Specified Bank Notes ("SBN")

Details of Specified Bank Notes (SBNs) held and transacted during the period from 8 November, 2016 to 30 December, 2016 are as below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	1,044,000	1,999,464	3,043,464
Add: Permitted receipts#	130,471,000	1,001,321,472	1,131,792,472
Less: Permitted payments	-	6,089,846	6,089,846
Less: Amount deposited in banks	131,515,000	989,932,086	1,121,447,086
Closing cash in hand as on 30 December 2016	-	7,299,004	7,299,004

#The Management has obtained an opinion from an independent legal counsel and is of the view that the cash collected in specified bank notes in the normal course of the business is covered under the ambit of exemption provided under clause (d) of the notification S.O.3408(E) dated 8th November 2016 issued by the Ministry of Finance, allowing the use of specified bank notes for purchase at milk booths operating under authorisation of the Central or State Governments until 15 December 2016 (originally 11 November 2016, amended by notifications issued from time to time). Hence, the above specified bank notes collected are considered as permitted receipts.

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

2.43 Investment in associate

On 31 March 2016, the Group acquired 3,866,923 shares (47.94%) in GVC for a consideration of ₹ 38,669,230. The Group has not recognised any share of losses of the associate as it exceeds the carrying amount of the investment.

2.44 Details of net assets and share of profit of individual entity in the consolidated net assets and consolidated share of profit:

For the year ended 31 March 2017

Name of the Entity	Net Assets		Share in profit or (loss)	
	As % of consolidated net assets	Amount ₹	As % of consolidated net assets	Amount ₹
Parent				
Dodla Dairy Limited	88.73%	2,477,901,290	101.23%	443,920,756
Subsidiary				
DHPL	11.27%	314,882,623	-1.23%	(5,377,353)
Associate				
GVC (refer note 2.43)	-	-	-	-
Total	**100.00%**	**2,792,783,913**	**100.00%**	**438,543,403**

Notes to Consolidated Financial Statements

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

For the year ended 31 March 2016

Name of the Entity	Net Assets		Share in profit or (loss)	
	As % of consolidated net assets	Amount ₹	As % of consolidated net assets	Amount ₹
Parent				
Dodla Dairy Limited	88.07%	2,101,847,311	99.02%	355,755,724
Subsidiary				
DHPL	11.93%	284,738,210	0.98%	3,520,070
Associate				
GVC (refer note 2.43)	-	-	-	-
Total	**100.00%**	**2,386,585,521**	**100.00%**	**359,275,794**

2.43 Subsequent events

On 2 May 2017, the Company entered into an Investment Agreement with TPG Dodla Dairy Holdings Pte. Ltd ('the Investor'). Pursuant to the said investment agreement, Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd, has transferred its entire equity shareholding i.e. 23.66% in the Company to the Investor. Further, Dodla Sunil Reddy and Dodla Deepa Reddy, promoters of the Company have also transferred a part of their equity shareholding in the Company to the Investor, representing 3.34% of the equity share capital of the Company.

2.45 Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's presentation.

As per our Report of even date attached

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

Vikash Somani
Partner
Membership No. 061272

for A. Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Registration no: 002857S

P.S.R.V.V. Surya Rao
Partner
Membership No. 202367

for Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

Ruchita Malpani
Company Secretary

Place: Hyderabad
Date: 16 August 2017

Place: Hyderabad
Date: 16 August 2017

Dodla Dairy Limited

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

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