

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of Dodla Dairy Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Dodla Dairy Limited

Report on the audit of the Consolidated Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Dodla Dairy Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/ financial results/financial information of the subsidiaries and associate, the Statement:

- i. includes the results of the following entities:

Holding company:
Dodla Dairy Limited

Subsidiaries:
a) Dodla Holdings Pte Limited, Singapore
b) Lakeside Dairy Limited, Uganda
c) Dodla Dairy Kenya Limited, Kenya
d) Orgafeed Private Limited, India
e) Country Delight Dairy Limited, Kenya (with effect from 22 November 2022)

Associate:
Global VetMed Concepts India Private Limited, India

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss/income and other financial information of the Group for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



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Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associate in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of 5 subsidiaries, whose financial results/statements include total assets of Rs. 2,380.43 million as at March 31, 2023, total revenues of Rs. 3,640.51 million and Rs. 966.84 million, total net profit after tax of Rs. 288.72 million and Rs. 52.52 million, total comprehensive income of Rs. 288.72 million and Rs. 52.52 million, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 56.36 million for the year ended March 31, 2023, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial results/financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results / financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The accompanying Statement includes unaudited financial results/ statements and other unaudited financial information in respect of 1 associate, whose financial results/statements includes the Group's share of net loss of Rs. Nil and Rs. Nil and Group's share of total comprehensive loss of Rs. Nil and Rs. Nil for the quarter and for the year ended March 31, 2023 respectively, as considered in the Statement whose financial results /statements and other financial information have not been audited by any auditor.

These unaudited financial statements/ financial information/ financial results have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements/ financial



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information/financial results. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information/financial results are not material to the Group.

Our opinion on the Statement 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 Results/financial information certified by the Management.

The comparative financial information of the Group and its associate for the corresponding quarter and for the year ended March 31, 2022, included in these consolidated financial results, were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial information on May 16, 2022.

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Navneet Rai

per Navneet Rai Kabra

Partner

Membership No.: 102328



UDIN: 23102328BGSBMT5076

Place: Hyderabad, India

Date: May 20, 2023



DODLA DAIRY LIMITED

CIN : L15209TG1995PLC020324

Registered Office and Corporate Office: 8-2-293/82/A/270-Q, Road No. 10-C, Jubilee Hills, Hyderabad, 500 033, Telangana, India

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(₹ in Millions except per share data)

Statement of Audited Consolidated financial results for the quarter and year ended 31 March 2023

Particulars	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
1. INCOME					
a) Revenue from operations	7,242.82	6,754.31	5,897.18	28,120.29	22,433.51
b) Other income	63.05	65.32	42.68	229.51	137.03
Total income [a+b]	7,305.87	6,819.63	5,939.86	28,349.80	22,570.54
2. EXPENSES					
a) Cost of materials consumed	5,724.96	4,883.55	4,284.83	21,179.54	16,273.74
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(31.11)	159.12	105.71	229.34	(12.05)
c) Employee benefits expense	299.00	314.78	260.39	1,191.47	1,024.16
d) Finance costs	3.23	3.10	2.89	12.10	65.18
e) Depreciation and amortisation expense	147.18	158.91	131.63	612.27	523.53
f) Other expenses	912.72	860.77	777.29	3,606.72	3,040.38
Total expenses	7,055.98	6,380.23	5,562.74	26,831.44	20,914.94
3. Profit before share of profit of equity accounted investee and tax [1-2]	249.89	439.40	377.12	1,518.36	1,655.60
4. Share of profit of equity accounted investee (net of tax)	-	-	-	-	-
5. Profit before tax [3-4]	249.89	439.40	377.12	1,518.36	1,655.60
6. Income tax expense/(credit)					
a) Current tax	68.54	122.24	95.93	413.91	434.61
b) Deferred tax	(43.94)	(36.69)	(123.63)	(118.39)	(107.14)
7. Profit for the period/year [5-6]	225.29	353.85	404.82	1,222.84	1,328.13
8. Other comprehensive income/ (loss)					
<i>Items that will not be reclassified subsequently to statement of profit and loss</i>					
Remeasurement of the net defined benefit obligation	3.41	(3.21)	(4.29)	10.16	(4.88)
Income-tax relating to these items	(0.85)	0.81	1.03	(2.55)	1.23
<i>Items that will be reclassified subsequently to statement of profit and loss</i>					
Exchange differences on translating financial statements of foreign operations	(34.23)	61.73	14.75	60.27	58.58
Other comprehensive income/(loss) for the period/year (net of tax)	(31.67)	59.33	11.49	67.88	54.93
9. Total comprehensive income for the period/year [7+8]	193.62	413.18	416.31	1,290.72	1,383.06
Profit attributable to:					
Shareholders of the Company	225.29	353.85	404.82	1,222.84	1,328.13
Non-controlling interest	-	-	-	-	-
Profit for the period/year	225.29	353.85	404.82	1,222.84	1,328.13
Other comprehensive income attributable to:					
Shareholders of the Company	(31.67)	59.33	11.49	67.88	54.93
Non-controlling interest	-	-	-	-	-
Other comprehensive income for the period/year	(31.67)	59.33	11.49	67.88	54.93
Total comprehensive income attributable to:					
Shareholders of the Company	193.62	413.18	416.31	1,290.72	1,383.06
Non-controlling interest	-	-	-	-	-
Total comprehensive income for the period/year	193.62	413.18	416.31	1,290.72	1,383.06
10. Paid-up equity share capital (Face value of ₹ 10 each)	594.93	594.93	594.93	594.93	594.93
11. Other equity				9,127.40	7,836.68
12. Earnings per share (Face value of ₹ 10 each) (not annualised for the quarters)					
a) Basic (in ₹)	3.79	5.95	6.80	20.55	22.43
b) Diluted (in ₹)	3.76	5.90	6.75	20.39	22.24



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Balance sheet		(₹ in Millions)	
		As at 31-Mar-23 Audited	As at 31-Mar-22 Audited
Particulars			
ASSETS			
Non-current assets			
Property, plant and equipment		5,426.35	5,007.60
Capital work-in-progress		581.24	40.96
Goodwill		515.70	441.70
Other intangible assets		114.58	43.13
Right-of-use assets		162.74	144.39
Biological assets other than bearer plants			
(i) Matured biological assets		11.15	16.02
(ii) Immatured biological assets		4.66	5.94
Financial assets			
(i) Investments		699.07	558.47
(ii) Other financial assets		141.21	140.71
Non-current tax asset		32.55	25.50
Deferred tax assets (net)		-	0.34
Other non-current assets		85.50	444.14
Total non-current assets		7,774.75	6,868.90
Current assets			
Inventories		1,199.19	1,209.85
Financial assets			
(i) Investments		1,901.25	1,285.03
(ii) Trade receivables		86.62	47.65
(iii) Cash and cash equivalent		750.46	1,098.94
(iv) Bank balances other than (iii) above		495.78	219.55
(v) Loans		-	4.77
(vi) Other financial assets		53.04	38.24
Other current assets		252.57	111.46
Total current assets		4,738.91	4,015.49
Total assets		12,513.66	10,884.39
EQUITY AND LIABILITIES			
Equity			
Equity share capital		594.93	594.93
Other equity		9,127.40	7,836.68
Equity attributable to shareholders of the Company		9,722.33	8,431.61
Non-controlling interest		-	-
Total equity		9,722.33	8,431.61
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings		180.00	-
(ii) Lease liabilities		107.48	98.32
Provisions		99.43	108.75
Deferred tax liabilities (net)		229.75	345.93
Government grants		19.74	22.64
Total non-current liabilities		636.40	575.64
Current liabilities			
Financial liabilities			
(i) Lease liabilities		35.78	30.41
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and		29.68	21.02
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,239.31	1,008.07
(iii) Other financial liabilities		440.36	345.47
Other current liabilities		86.28	132.19
Government grants		2.91	2.91
Provisions		146.10	137.24
Liabilities for current tax (net)		174.51	199.83
Total current liabilities		2,154.93	1,877.14
Total liabilities		2,791.33	2,452.78
Total equity and liabilities		12,513.66	10,884.39



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Consolidated Statement of Cash Flows

(₹ in Millions)

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
	Audited	Audited
Cash flows from operating activities		
Profit before tax	1,518.36	1,655.60
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	612.27	523.53
Changes in fair value of biological assets	(5.75)	(2.04)
Loss on sale/ retirement of property, plant and equipment, net	0.65	2.08
Loss on sale/ discard of biological assets, net	4.38	3.53
Interest income	(116.82)	(67.65)
Interest on lease liabilities	12.10	65.18
Employee share based payment expense	-	0.69
Profit on sale of investments in mutual funds, net	(36.52)	(24.52)
Fair value gain on financial assets measured at fair value through profit and loss	(32.81)	(17.18)
Provision for impairment of receivables and advances, net	2.87	10.11
Bad debts written off	3.53	2.44
Inventories written down	1.61	-
Amortisation of government grants	(2.91)	(2.91)
Operating profit before working capital changes	1,960.96	2,148.86
Working capital adjustments		
(Increase)/decrease in trade receivables	(46.50)	4.40
Decrease/(increase) in inventories	27.33	(244.24)
Decrease/(increase) in loans and other financial assets	27.45	(53.12)
(Increase)/decrease in other current and non-current assets	(142.10)	10.76
Increase in trade payables and other financial liabilities	263.79	135.39
Increase in provisions	9.70	41.76
(Decrease)/increase in other current and non-current liabilities	(45.78)	67.01
Cash generated from operations	2,054.85	2,110.82
Income taxes paid, net	(446.93)	(399.46)
Net cash generated from operating activities	1,607.92	1,711.36
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(1,084.55)	(717.52)
Proceeds from sale of property, plant and equipment	29.52	2.85
Proceeds from sale of biological assets	7.52	10.58
Purchase of investments (mutual funds, bonds and commercial papers)	(10,647.36)	(5,493.04)
Payment towards acquisition of business	(207.73)	(300.00)
Proceeds from sale of investments (mutual funds, bonds and commercial papers)	9,959.87	4,295.52
Interest received	91.63	44.37
Deposits (placed)/ redeemed (having original maturity of more than three months), net	(285.64)	773.81
Net cash used in investing activities	(2,136.74)	(1,383.43)
Cash flows from financing activities		
Proceeds from borrowings	180.00	-
Repayment of long term borrowings	-	(869.16)
Issue of shares	-	500.00
Share issue expenses	-	(31.84)
Repayment of lease liabilities	(34.09)	(31.74)
Finance costs paid	-	(56.04)
Net cash generated from/(used in) financing activities	145.91	(488.78)
Net decrease in cash and cash equivalents	(382.91)	(160.85)
Cash and cash equivalents at the beginning of the year	1,098.94	1,241.44
Effect of exchange differences on translation of foreign currency cash and cash equivalents	34.43	18.35
Cash and cash equivalents at end of the year (refer note below)	750.46	1,098.94

Note:

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

	As at	As at
	31 March 2023	31 March 2022
Cash on hand	9.86	13.09
Balances with banks		
-in current accounts	469.27	780.59
-in deposit accounts (with original maturity of less than three months)	271.33	305.26
Balances as per statement of cash flows	750.46	1,098.94



Notes:

1. The consolidated financial results of Dodla Dairy Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associate have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with the relevant rules thereunder, other accounting principles generally accepted in India and in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The above results for the quarter and year ended 31 March 2023 of the Group have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 20 May 2023. The Statutory Auditors have expressed an unmodified opinion on these results.

3. Consolidated segment wise revenue and results:

Based on the internal reporting provided to the Chief Operating Decision Maker, the consolidated financial results relate to "Milk and Milk Products" as the only reportable primary segment of the Group under the provisions of Ind AS 108 "Operating Segments".

The geographical information analyses the Group's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

(i) Revenue from operations	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
India	6,653.94	6,185.15	5,404.64	25,843.39	20,966.87
Outside India	588.88	569.16	492.54	2,276.90	1,466.64
TOTAL	7,242.82	6,754.31	5,897.18	28,120.29	22,433.51

(ii) Non-current assets	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
India	7,373.96	7,064.70	6,492.90	7,373.96	6,492.90
Outside India	400.79	387.08	376.00	400.79	376.00
TOTAL	7,774.75	7,451.78	6,868.90	7,774.75	6,868.90

4. Certain Standalone Information of the Company in terms of Regulation 47(1)(b) of the Securities and Exchange Board of India ("SEBI") (Listing Obligation and Disclosure Requirements) Regulations, 2015 is as under:

Particulars	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations for the period/year	6,653.36	6,184.04	5,403.94	25,841.24	20,964.84
Profit before tax for the period/year	177.10	327.25	479.66	1,149.27	1,633.41
Net profit for the period/year after tax	162.52	276.33	560.32	949.85	1,366.17
Other comprehensive income for the period/year	2.55	(2.40)	(3.26)	7.60	(3.65)
Total comprehensive income for the period/year	165.07	273.93	557.06	957.45	1,362.52

5. During the year ended 31 March 2023, the Group completed the acquisition of a milk and milk products division of Sri Krishna Milks Private Limited, through slump purchase agreement on a going concern basis at a consideration of Rs. 507.73 million. The transaction was accounted in accordance with Ind AS 103 – Business Combinations ("Ind AS 103") which was determined basis the purchase price allocation carried out by the Group.

6. The consolidated figures for the quarter ended March 31, 2023 and quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and March 31, 2022, respectively and published year to date figures upto third quarter ended December 31, 2022 and December 31, 2021, respectively which were subjected to a limited review by the statutory auditors.

7. Previous period/year figures have been regrouped/reclassified, where necessary, to conform to the current period/year classification. Current quarter/year numbers may not be strictly comparable with comparative numbers due to acquisition in the year ended March 31, 2023 (refer note 5).

8. The above Audited Consolidated financial results of the Group are available on the Company's website (www.dodladairy.com) and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

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



Dodla Sunil Reddy
Managing Director
DIN: 00794889

Place : Hyderabad
Date: 20 May 2023