Ability to Endure

Dodla Dairy Limited
Annual Report 2022-23

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Disclaimer

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Ability to Endure

In this report, Dodla Dairy has embraced the theme "Ability to Endure" as it navigates through the challenges and opportunities in the dairy industry. "Ability to Endure" is exemplified through the company's strategic expansion into overseas markets, integrated business model, focus on product portfolio, capacity expansion strategies, emphasis on quality and innovation, and a farmer-centric approach. These key elements collectively contribute to Dodla Dairy's ability to withstand challenges, adapt to changes, and thrive in the competitive dairy industry.

About Dodla Dairy Ltd

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

₹28,120 million
FY23 Operating Revenue

₹1,223 million
FY23 PAT

₹1,913 million
FY23 EBITDA

22+ LLPD
Aggregate Installed Capacity

15
Processing Plants

2600+
Distribution Agents

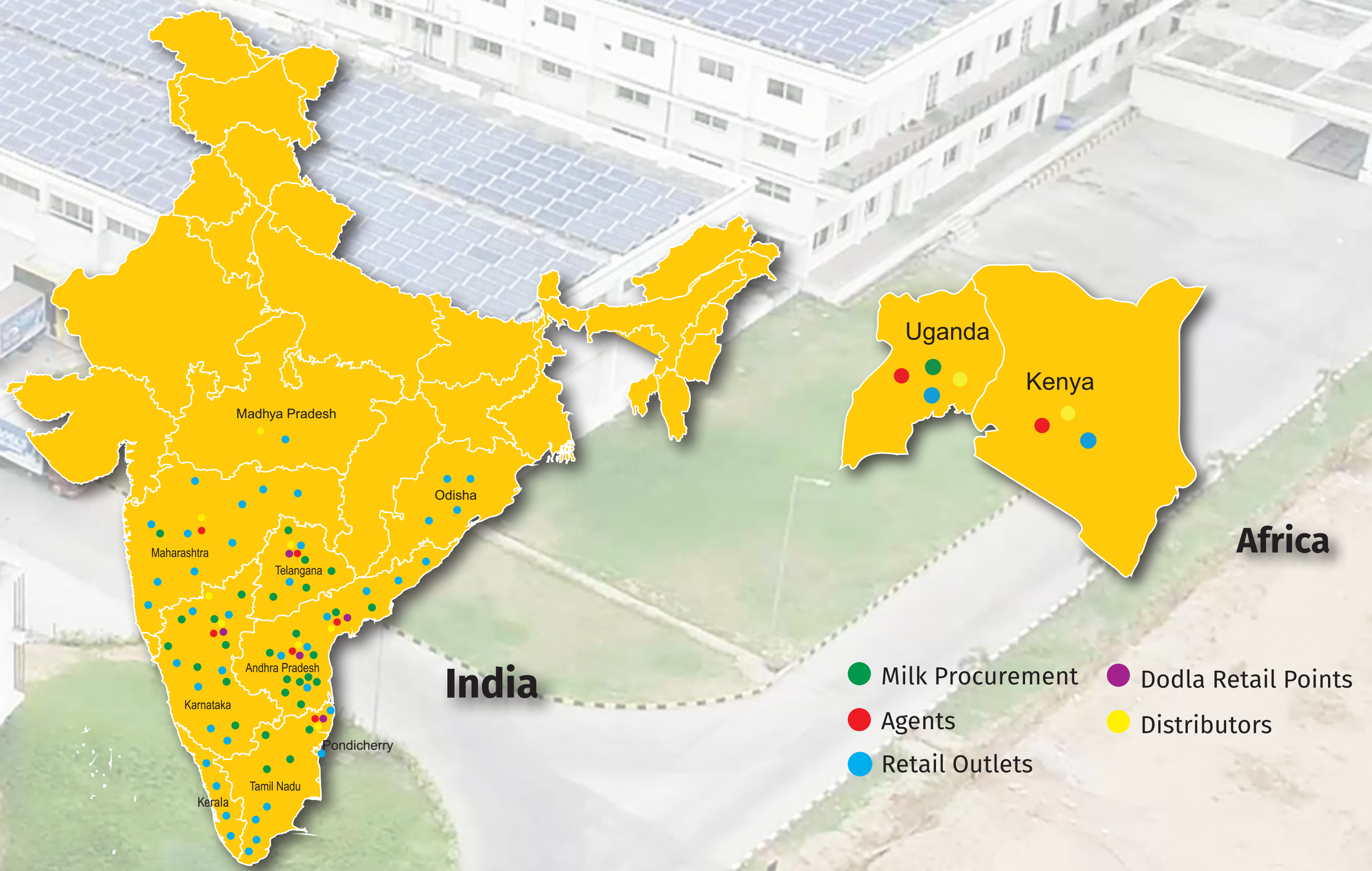
13.8 LLPD
FY23 Average Milk Procurement
+11.1% YoY

10.7 LLPD
FY23 Average Milk Sales
+14.5% YoY

26.8%
FY23 Revenue from VAP
+26% YoY

Dodla Dairy Ltd, India

- Dodla Holding Pte Ltd, Singapore — **100% subsidiary**
  - Dodla Dairy Kenya Limited, Kenya — **99% subsidiary**
  - Lakeside Dairy Ltd, Uganda — **100% subsidiary**
- Orgafeed Pvt Ltd, India — **100% subsidiary**
- Country Delight Dairy Limited, Kenya — **100% subsidiary**



Milestones Greenfield Projects

2019

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

Second fully automated Dairy commissioned at Chendurthi, East Godavari

2017

First fully automated Plant commissioned at Gundrampally, Hyderabad.

2014

Commenced production plant including UHT milk process at Indragi, Koppal, karnataka.

Established dairy farm at Pulivendula, Kadapa, AP.

2011

Commenced production at Tumkur, Karnataka.

2009

Established skim milk powder (SMP) plant at Nellore, AP.

2007-2004

2007:
Commenced production in Badvel plant.

2004:
Commenced production in Palamaner plant.

1997

Commenced production at Nellore, AP.

Milestones Brownfield Projects

2023

Acquired Countryside Dairy, Kenya

2022

Acquired Sri Krishna Milks Private Limited, in North Karnataka.

2019

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

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

2016

Acquired a processing plant in Dharmapuri in Tamil Nadu. This new plant has helped Dodla Brand to expand in central and south Tamil Nadu markets & Bangalore.

2014

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

2013

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

2007

Acquired a milk processing plant at Sattenapalli, AP.

2001

Acquired milk processing plant at Penumur in 2001 and commenced its operations in 2002.

From the Chairman's Desk

Dear Stakeholders,

I extend a warm welcome to the 28th Annual Report of Dodla Dairy Limited – an integrated dairy company – committed towards ensuring a nutritious future, an inclusive society and a sustainable setup.

The diary of the dairy industry

The Indian dairy industry has the inherent capability of taking India's economic development to greater heights. Apart from being a source of employment directly and indirectly, thereby boosting rural development and rural infrastructure, it fulfils yet another equally important need – the country's food security and export requirements. Accelerating India's journey towards self-sufficiency by promoting local manufacturing companies and consumption of the domestically manufactured products is a crucial task.

This sector also plays a fundamental role in achieving the United Nations Sustainable Development Goals (UNSDGs) - SDG 1 (No poverty), SDG 3 (Good health), SDG 5 (Gender equality), SDG 8 (Economic growth) and SDG 10 (Reduced inequalities). The Agricultural Skill Council of India states that 71% of the dairy farmers are women who depend on the sector for livelihood, which also provides year-round employment.

India ranks first in the production of milk and is responsible for 24% of the global milk supply. However, milk production in the country is skewed with around 10 states producing 81% of the milk. It is crucial to encourage dairy farming in all states. Appropriate policies are necessary for shaping the thriving dairy industry and take it to the next level.

Role of the Government

Under the able guidance of Hon'ble Prime Minister, Indian dairy industry is set for a 360-degree development, with baby foot steps being taken towards the second milk revolution in the country. With a milk processing capacity of around 126 million litres per day and per capita milk consumption of 427 gms, India bags the first place globally in both the categories. A multistate cooperative export society for exports is created by the central government which is connected to the proposed 2 lakh rural dairies, thus increasing the average annual sector growth rate to 13.8% from 6% (experienced in the last decade) and enhancing the possibility of 5 times increase in exports. A co-operative association between Central government and State governments can help India reach the goal of 33% of world's milk production by 2033-34. A suitable policy focusing on fodder supply is the need of the hour.

Recent Trend

The scenario has been slightly different in the year gone by. Inspite of being the world's biggest producer, the country has stepped up its imports to enhance supplies. There have been number of factors leading to this situation including the lethal lumpy skin disease in cattle, reduction in market-ready cattle due to lesser breeding during the pandemic years, lesser cash in hand of dairy farmers due to demand destruction during pandemic, fodder inflation of about 30%, high exports of dairy products in FY2022 and milk production increase by only 1% in last fiscal. Reliance on imports of skimmed milk powder (SMP), ghee and butter inspite of import taxes would trigger a rally in international prices.

In Conclusion

The Board and the management at Dodla Dairy are constantly striving for a sustainable, profitable mode of business.

Here I take this opportunity to thank the Board for their guidance and our shareholders for placing trust in us. I also extend gratitude towards all our employees for their extraordinary commitment to the organization, to the customers for their unwavering belief in us and regulatory bodies for their constant support.

Sincerely,

Dodla Sesha Reddy
Chairman

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.

From the Desk of MD

“The best way to predict the future is to create it.”

When I started my entrepreneurial journey, I was, gradually yet steadily, attempting to create a future for the Company. My destinations changed from mushrooms to mangoes and textiles to construction, the final terminus being Dairy. Carrying the family name as the brand name is a huge responsibility and it has always been my endeavour to uphold it and it has been possible so far with the aid of determination and commitment from my team members.

The journey continues

With Operation Flood, India moved from a milk deficient to milk surplus nation. But getting the sector out of the hold of dairy cooperatives was the need of the hour then. After liberalisation and privatisation, arrived the modernization of processing facilities.

While India was dominated by a few major national players, Dodla Dairy was incorporated by a philanthropic family of South India. Moving from Chennai to Hyderabad in 2006 and eventually acquiring a company in Uganda in 2014 and then in Kenya in 2023, Dodla Dairy has been surfing fast and furious on the dairy wave over the last two decades. It has turned into a formidable dairy company in southern India, supplying safe, nutritious milk and milk products.

What sets us apart?

Highest ever revenues at Rs. 28.12 billion and 25.3% robust y-o-y revenue growth, 23.3% y-o-y growth in domestic markets and 55.2% y-o-y growth in international markets characterized FY2023 at Dodla Dairy. Traversing through various sectoral challenges and managing global headwinds in its international operations, the Company has been striving for maximum value creation. Powerful brand recall and an extensive distribution network have enabled an increase in the sales of Value-Added-Products (VAP) and Fat & Fat products by 26.0% y-o-y. Inspite of being seasonal, VAP sales contributed 26.8% to the overall revenues in FY2023 and have been growing incrementally by 1% to 2%. Average milk production rose by 11% y-o-y and average milk sales increased by 14.5% y-o-y. The revenue growth was mainly due to increase in milk volumes and healthy VAP sales. The non-current assets have steadily grown over the last 5 years by almost 45%. The overall wholesome growth has led to higher capital efficiency and lower debt levels thus facilitating efficient working capital management. The net debt free status of Dodla Dairy has helped it to expand its capacities and capabilities. In terms of margins however, there was a slight decline due to a shoot up in raw material prices.

The business has been growing 10% by volume and 17% by value on an average over the years. Robust business model, modern state-of-art dairy plants, diversified product portfolio and a balance sheet having adequate cash balance are the propellants for organic and inorganic growth of the business. In addition, the upcoming flush season in Q2FY2024 will enhance the business opportunities.

Beyond Business – embedding ESG

The dairy industry is balancing on the tri-pod of Sustainability, Innovation and Technology – *Sustainability* for ensuring animal welfare and environmental conservation, *Innovation* for meeting changing consumer preferences and *Technology* for high quality products, making it possible for India to become a top global player in this industry.

In the process of value creation for all the stakeholders, Dodla Dairy has also built a reputation of being a responsible corporate citizen, weaving sustainability initiatives into its business model, objectives, strategy and operations. Conserving our environment and perhaps restoring it for the future generations is the mantra at Dodla Dairy signifying its contribution to ESG. India has the potential to be a global supplier of dairy products.

The Tomorrow of the Company – Succession Planning

The Company's rapid growth is anchored on its watertight supply chain and is led by the concept of draping every state with its brand, every state that offers a viable opportunity. Not limiting to India, we intend going beyond to the theory of the world being our oyster. Perseverance and resilience are the pre-requisites for this kind of empire building, but equally important is a strong relationship with the team.

Reflecting further on the theory of creating the future, achieving organizational objectives while simultaneously creating an environment for promoting employee welfare, converges into succession planning. Engagement in succession planning involves paving way for the new generation and creating a learning organization. The virtue of 'Ability to Endure' must be pursued and promoted ahead, for the next generation of leaders to imbibe.

Concluding Remarks

Being associated with a sector that provides livelihood to 80 million farmers and around 120 million small and marginal farmers, is a matter of a great responsibility. Assuring the milk producers of a fair price and right time for procurement, sparing them of price volatility and some initiatives to support the local farmers reflect our deep-rooted values and commitment towards the welfare of the society.

Investing in the supply chain of this capital-intensive sector might revolutionize the dairying business in India. Our vision and collective efforts will steer the Company towards scaling new heights and realise greater accomplishments in the following years.

Providing safe, healthy dairy products for years to come,

Nutritionally yours,

Dodla Sunil Reddy
Managing Director

> The business has been growing 10% by volume and 17% by value on an average over the years. Robust business model, modern state-of-art dairy plants, diversified product portfolio and a balance sheet having adequate cash balance are the propellants for organic and inorganic growth of the business.
>
> — Dodla Sunil Reddy

From The Desk of the CEO

Dear Shareholders and Investors,

Dodla Dairy has undergone a voyage of a quarter century; a sustained journey spanning a generation, varying preferences and market scenarios, but the element that has been a constant is – our Ability to Endure.

Welcome to the Annual Report with the Silver Jubilee motif, representing not just the 25th year of Dodla Dairy, but a cumulative rendition of the past 25 years, a saga of our endurance over time. These 25 years have witnessed the Company evolving all along, facing challenges, learning from failures, capitalizing on the new opportunities as well as soaking in success. Our foremost priority – that is focussed, direct engagement with the dairy farmers – has been manifested over the years enabling Dodla Dairy to become a frontrunner in the industry.

Our journey has been a spectator of the transition from a traditional industry to one that is tech-enabled, across the business value chain. Dairy has always been a major component of diet, but the products belonging to this category have been ever-evolving and hence the industry has also been dynamic. Apart from expanding its product portfolio, the Company has also enhanced its geographical reach to cater to the growing and varying needs across regional borders.

The presence of the Company in Research, Procurement and Storage, Processing, Distribution as well as Cattle Feed demonstrates the fact that Dodla Dairy believes in a grass to glass business model with backward as well as forward integration. Operational efficiencies have been improving due to automation and digitalisation and increased distribution networks. Commitment to quality, sustainability standards and advanced technology have helped Dodla Dairy navigate through the challenging year, with endurance and fortitude. The processing plants ensure optimal capacity utilisation, operating metrics and thus profitability.

Reaching operational excellence

Dodla Dairy is blessed with a strong procurement network of farmers. 93% of the milk is directly procured from approximately 1.2 lakh farmers. The operation team ensures that the milk hits the market in about 24-36 hours of being procured. With more than 7600+ village level collection centres and 580 retail parlours, Dodla Dairy operates on a sustainable business model, avoiding leakages, creating a conducive environment, positively impacting both the Company as well as the livelihood of the farmers.

International presence

With a business model similar to the Indian one, Dodla Dairy contributes significant percentage to kenya and uganda milk industry which is characterized by limited competition as well as limited supply of processed milk, easier milk farming due to availability of vast grasslands and a growing population with growing demand for dairy. The business in Uganda and Kenya operates through the subsidiaries Lakeside Dairy Limited & Dodla Dairy Kenya Limited. The African product portfolio is marketed under the brands Dairy Top and Dodla + and includes milk as well as VAP like yogurt with different flavours, ghee, cheese and UHT milk.

Key operational outcomes

Being a debt free company, Dodla Dairy relies on internal approvals for acquisitions – taking into consideration replacement costs, ROCE and geographical proximity. The two acquisitions of the year, that of Sri Krishna Milks in Karnataka and that of Countryside Dairy in Kenya, are the outcomes of the strategized capex plans designed to achieve optimum financial benefit. Production in the Kenya acquisition is expected to begin in end of Q2FY2024.

There has been an expansion in the procurement network by ways of an increase in the number of chilling centres and creation of newer, smaller collection centres across 22 villages. There also has been an addition to existing capacities of a feed plant to handle high volumes of almost 8000 tonnes/month.

What is next?

Unwavering focus on quality has led to customer satisfaction, thus developing the Company's image for providing superior dairy products. After identifying changing customer preferences and requirements for its Value-Added-Products like curd, yoghurt, ice-creams, flavoured milk, etc., the Company intends to boost investments in these products which could substantially improve margins.

Going forward, the Company is also looking at greenfield acquisition or domestic M&A in FY2024. Acquisitions will empower the Company to enter new geographical territories.

From an integrated dairy company, it is a humble attempt of Dodla Dairy to migrate to a research-driven, science-based dairy company. Providing various alternative forms of dairy products, having incremental nutritional value and enhancing the value-added products (VAP) portfolio is on the radar.

Closing lines

With your continued support, I am confident that we can build a brighter future for our company, our employees and our valued stakeholders. Thank you for your ongoing investment in Dodla Dairy, and for joining us on this exciting journey towards the next 25 sustainable years. I would like to meet you again you in a year's time and report our growth story.

Sincerely,

BVK Reddy
Chief Executive Officer

Going forward, the Company is also looking at greenfield acquisition or domestic M&A in FY2024. Acquisitions will empower the Company to enter new geographical territories.

— BVK Reddy

Our Strategies and Outcomes

Dodla Dairy's strategies revolve around expansion, integrated operations, product diversification, quality assurance, customer focus, and market opportunity exploitation.

Expansion into Overseas Markets:

Dodla Dairy has strategically expanded its operations overseas, specifically in Kenya and Uganda in Africa. By establishing subsidiaries and marketing their products under recognized brands, Dodla Dairy aims to tap into the growing demand for dairy products in these markets. This expansion allows the company to access new customer bases and diversify its revenue streams.

Capacity utilization of Lakeside Dairy Ltd in Uganda increased year-on-year in FY23 compared to FY22.

Integrated Business Model:

Dodla Dairy follows an integrated business model, which involves engaging in various stages of the dairy value chain. From procuring milk from farmers to processing and distributing dairy products, Dodla Dairy maintains control over multiple aspects of the value chain. This approach enables the company to ensure quality standards, streamline operations, and efficiently manage the supply chain.

The company further improved the value chain in FY23, boosting revenue. efficient milk procurement, processing, value-added products, distribution, enhanced operations and quality.

Focus on Product Portfolio:

Dodla Dairy offers a diverse product portfolio, including milk, yogurt, ghee, paneer, cheese, and UHT milk. By catering to a wide range of dairy product categories, Dodla Dairy aims to meet the varied preferences and demands of its customers. This strategy helps the company capture market share and stay competitive in the dairy industry.

The year-on-year increase in revenue from Value Added Products is FY22 is approximately 32.43%.

These strategies enable the company to sustain growth, adapt to changing market dynamics, and maintain a competitive edge in the dairy industry.

Capacity Expansion:

Dodla Dairy employs organic and inorganic processing plant expansion strategies to support growth and increase production capabilities.

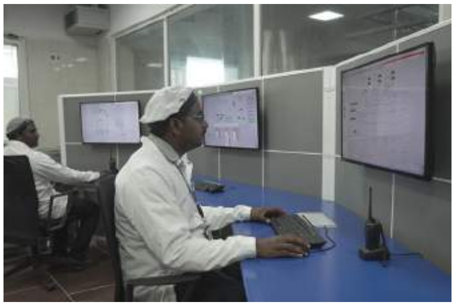
Emphasis on Quality and Innovation:

Dodla Dairy places a strong emphasis on quality in its operations. By maintaining strict quality control measures and adhering to international standards, the company ensures that its dairy products meet the highest quality standards. Dodla Dairy also emphasises innovation, continuously exploring new product offerings and improving existing ones to stay ahead in the market.

Farmer-First Approach:

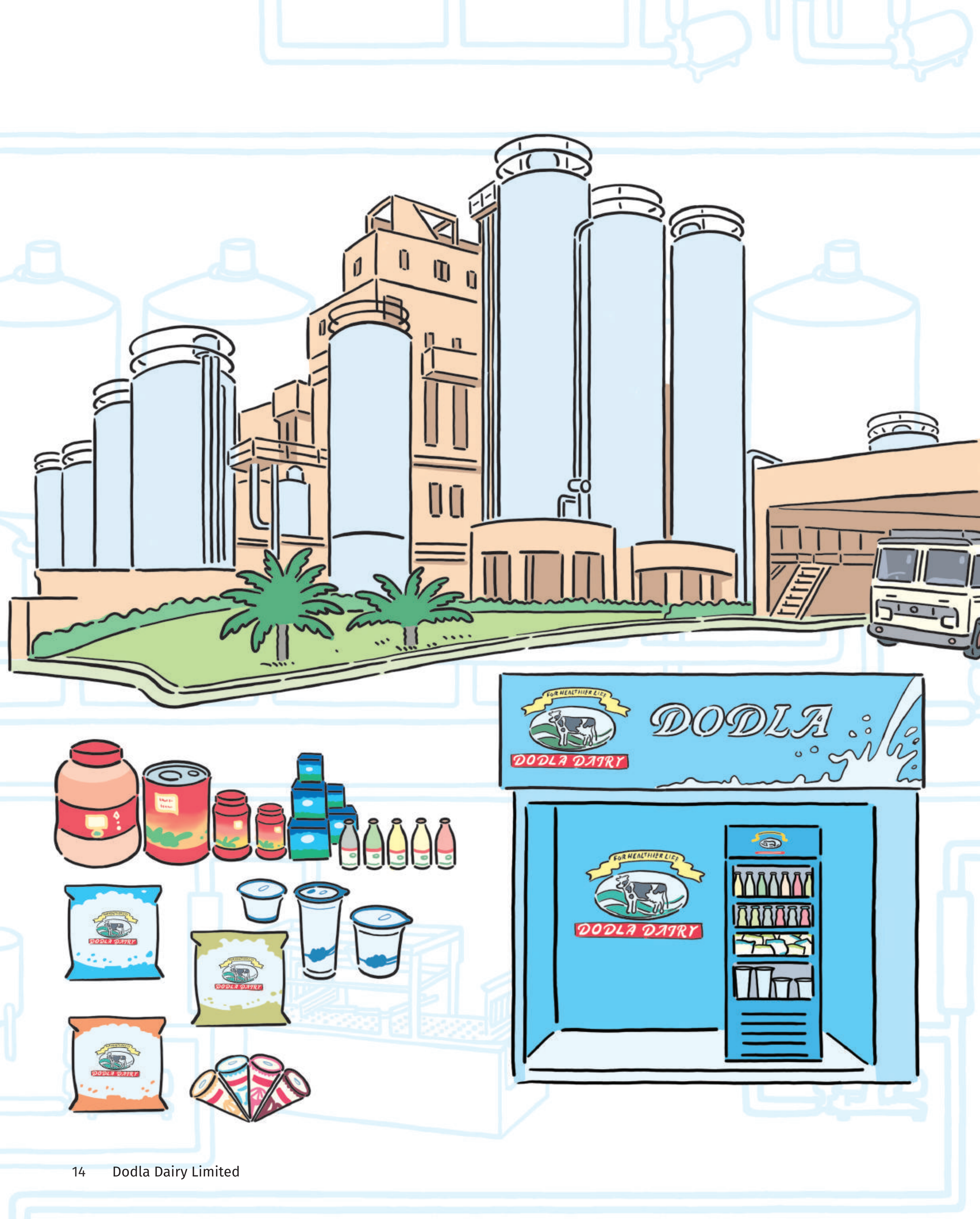
Dodla Dairy prioritises its farmers and upholds a farmer-centric approach. The company directly procures milk from farmers and fosters partnerships with veterinarians for animal health and for imparting knowledge on best farming practices. The company also provides them with quality animal feed at competitive rates. Dodla Dairy ensures transparency in milk pricing, empowering farmers with fair compensation for their produce. By offering valuable support to dairy farmers, Dodla Dairy establishes long-term relationships with them.

Plant capacity in India increased by 235,710 LPD in FY23 compared to FY22 resulting in a total capacity of 1,933,910 LPD



Continue to enhance quality management across the value chain for maintaining transparency at the procurement level, food safety during the processing and ensuring the end quality of milk and VAPs

93% of the milk procured directly from farmers


FOR HEALTHIER LIFE
DODLA
DODLA DAIRY
FOR HEALTHIER LIFE
DODLA DAIRY

Manufactured Capital

Dodla Dairy's manufactured capital includes processing plants, milk collection centres, storage facilities, machinery, vehicles, and products. This capital supports the company's operations in producing and distributing dairy products. Our processing plants are equipped with advanced machinery for transforming raw milk into various dairy products. Milk collection centres ensure a steady supply of raw materials, while storage facilities efficiently manage inventory. Dodla Dairy Ltd. also maintains a fleet of vehicles for transporting raw milk and delivering finished dairy products to customers. This comprehensive manufactured capital allows Dodla Dairy Ltd. to meet consumer demands and maintain a strong presence in the dairy industry.

Processing Units

Dodla Dairy's manufactured capital includes processing plants, milk collection centres, storage facilities, machinery, vehicles, and products. This capital supports the company's operations in producing and distributing dairy products. Our processing plants are equipped with advanced machinery for transforming raw milk into various dairy products. Milk collection centres ensure a steady supply of raw materials, while storage facilities efficiently manage inventory. Dodla Dairy Ltd. also maintains a fleet of vehicles for transporting raw milk and delivering finished dairy products to customers. This comprehensive manufactured capital allows Dodla Dairy Ltd. to meet consumer demands and maintain a strong presence in the dairy industry.

Our Manufacturing Value Chain

Dodla Dairy, follows a manufacturing value chain that emphasizes best practices to maximize capacity utilization, operating metrics, profitability, flexibility, agility, and continuous improvement of processes. Here's an explanation of the manufacturing value chain of Dodla Dairy based on the given information:

Village Level Collection Centres

Chilling Centres

Processing Plants

7,602

Milk Procurement Centres

From FY19 to FY23, the company significantly expanded its milk collection centers as part of its direct procurement from farmers. The number of milk collection centers rose from 5,581 in FY19 to 7,602 in FY23.

118

Chilling Centres

Since FY19 the company has added 33 chilling centres

15

Processing Plants

Dodla Dairy operates 15 processing plants with an aggregated capacity of 22+ LLPD (Liters per day). Most of the processing plants are fully automated, leading to improved operational efficiencies and reduced operating costs.

Village Level Collection Centers (VLCCs):

Dodla Dairy operates over 7,600+ Village Level Collection Centres equipped with GPRS-enabled electronic milk analysers. These analysers test the fat and solid-not-fat (SNF) content of the raw milk. By analysing the milk at the village level, Dodla Dairy ensures that the quality of milk meets its standards for further processing.

Quality Control at VLCCs: Dodla Dairy conducts additional tests at VLCCs to assess the colour and smell of the raw milk. These tests help segregate poor-quality milk, ensuring that only high-quality milk meeting the required standards is procured. The quality checks conducted at VLCCs are documented in a quality manual, ensuring consistent adherence to standards.

Number of Milk Procurement Centres of Dodla Dairy Ltd

FY 23	7,602
FY 22	7,837
FY 21	6,771
FY 20	6,285
FY 19	5,581

Chilling Centres:

Dodla Dairy operates 118 chilling centres where the raw milk undergoes adulteration tests and neutralizer tests. These tests are conducted to detect and prevent contaminants from entering the milk supply chain. Ensuring the purity and safety of raw milk is crucial for producing high-quality dairy products.

Since FY19 the company has added 33 Chilling Centres

FY 23	118
FY 22	110
FY 21	94
FY 20	86
FY 19	85

Processing Plants:

Dodla Dairy operates 15 processing plants with an aggregated capacity of 22+ LLPD (Liters per day). These processing plants are fully automated, leading to improved operational efficiencies and reduced operating costs. Automation allows for consistent and controlled processing, ensuring the production of standardised and high-quality dairy products.

By implementing best practices and continuous improvement, Dodla Dairy aims to maximise capacity utilisation, optimise operating metrics, and improve profitability. The company's focus on flexibility and agility allows them to adapt to changing market demands and consumer preferences, ensuring their products remain competitive.

In India, the Company operates 14 milk processing plants located in the states of Andhra Pradesh, Telangana, Karnataka, and Tamil Nadu. These plants have a combined installed milk processing capacity of 19+ LLPD. We strategically position these processing plants near our markets and procurement clusters.

Additionally, we have a processing plant in Uganda to cater to the dairy markets in Uganda and Kenya. This plant has a capacity of 3.0 LLPD.

Continuing our commitment to excellence, we continuously upgrade our dairy plants by incorporating advanced processing and packaging technologies and machinery. We prioritise incorporating high levels of process automation in our new generation plants to improve operational efficiency. While many of our plants are fully automated, automation is being gradually introduced in all our other plants as well, resulting in enhanced product quality and operational efficiencies.

Expanding Processing Capabilities:

At Dodla, we consider Merger and acquisitions (M&A) as a crucial strategy to increase our processing capacity and drive growth in targeted markets. Small dairy processing units often face challenges such as rising input costs, competition, and limitations in branding and merchandising capabilities. By merging with a larger entity, these units can sustain and overcome these concerns. Since 2001, Dodla has expanded through both greenfield and brownfield projects, acquiring a total of 7 plants in Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, and Uganda.

Plant Capacity at Dodla Dairy (Consolidated) LLPD

FY 23	22+
FY 22	19+
FY 21	19+
FY 20	17+
FY 19	16+

Our Plants

Nellore (AP)
2,07,300 LPD

Settenapalle (AP)
46,700 LPD

Kurnool (AP)
50,000 LPD

Hyderabad (TS)
3,24,910 LPD

Batlagunda (TN)
95,000 LPD

Penumur (AP)
50,000 LPD

Badvel (AP)
50,000 LPD

Kirwatti (KA)
2,00,000 LPD

Indragi (KA)
2,00,000 LPD

Rajahmundry (AP)
1,50,000 LPD

Palamaner (AP)
3,80,000 LPD

Tumkur (KA)
30,000 LPD

Dharmapuri (TN)
1,00,000 LPD

Vedasundur (TN)
50,000 LPD

Uganda
3,00,000 LPD

Our Products

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

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

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

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

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

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

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

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

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

Quality Assurance

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

At village level DDL Centers

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

Quality checks at Milk Chilling Centres

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

Quality checks at Dairy Plant

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

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

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

Quality Certifications:

All our plants and milk chilling centers have FSSAI certifications.

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

Export Inspection Council

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

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

Our Hyderabad plant is FSSC 22000 certified.

Two of our plants are ISO 50001 certified.

UNBS Permits

Financial Capital

Dodla Dairy's financial capital is strong, with a robust balance sheet, a solid P&L, and healthy cash flow. The company's balance sheet showcases an impressive asset base and capital structure. Prudent debt management results in a favorable debt-to-equity ratio, instilling stakeholder confidence. The P&L reflects consistent profitability and sustainable growth, driven by cost management, pricing strategies, and a diverse product portfolio. Effective cash management ensures smooth operations and future investment opportunities.

Financial Capital

Financial Highlights

OPERATING REVENUE

(₹ in Million)

FY 22-23	28,120
FY 21-22	22,434
FY 20-21	19,400

GROSS PROFIT

(₹ in Million)

FY 22-23	6,711
FY 21-22	6,172
FY 20-21	5,931

EBITDA

(₹ in Million)

FY 22-23	1,913
FY 21-22	2,107
FY 20-21	2,425

PAT

(₹ in Million)

FY 22-23	1,223
FY 21-22	1,328
FY 20-21	1,260

RoCE*

(%)

FY 22-23	14.9
FY 21-22	19.3
FY 20-21	24.7

** as per Ind AS*

RoE*

(%)

FY 22-23	13.5
FY 21-22	17.6
FY 20-21	23.1

NETWORTH

(₹ in Million)

FY 22-23	9,722
FY 21-22	8,432
FY 20-21	6,580

CASH AND CASH EQUIVALENT#

(₹ in Million)

FY 22-23	3,146
FY 21-22	2,604
FY 20-21	2,849

 # Excluding Long term Investment

Review of Financial Performance

Revenue: Dodla Dairy experienced a significant increase in revenues, from INR 22,434 million in FY22 to INR 28,120 million in FY23, representing a year-on-year (YoY) growth of 25.3%. This growth indicates the company's ability to generate higher sales during the fiscal year.

Cost of Goods Sold: The cost of goods sold also increased, from INR 16,262 million in FY22 to INR 21,409 million in FY23, indicating a YoY growth of 31.7%. The higher cost of goods sold suggests increased expenses related to raw materials and production costs.

Gross Profit: Despite the increase in revenues and cost of goods sold, Dodla Dairy achieved a gross profit of INR 6,711 million in FY23, compared to INR 6,172 million in FY22, reflecting a YoY growth of 8.7%. This growth indicates the company's ability to generate a reasonable profit margin on its products.

Gross Profit Margin: The gross profit margin declined from 27.5% in FY22 to 23.9% in FY23, a decrease of 364 basis points (bps). This decline in the gross profit margin can be attributed to the increase in raw material prices during the year, impacting the company's profitability.

Expenses: Employee expenses increased by 16.3% from INR 1,024 million in FY22 to INR 1,191 million in FY23, while other expenses rose by 18.6% from INR 3,040 million to INR 3,607 million during the same period. The increase in expenses indicates higher operational costs incurred by the company.

EBITDA: EBITDA decreased by 9.2% from INR 2,107 million in FY22 to INR 1,913 million in FY23. This decline suggests lower operating profitability for the company during the fiscal year.

EBITDA Margin: The EBITDA margin also decreased from 9.4% in FY22 to 6.8% in FY23, representing a decline of 259 bps. This decline can be attributed to the increase in raw material prices during the year, affecting the company's profitability.

Other Income: Dodla Dairy experienced a significant increase in other income, from INR 137 million in FY22 to INR 230 million in FY23, indicating a YoY growth of 67.5%. This increase in other income contributes positively to the company's overall financial performance.

EBT (Earnings Before Tax) and PAT (Profit After Tax): EBT decreased by 8.3% from INR 1,656 million in FY22 to INR 1,518 million in FY23. The company's net profit after tax also decreased by 7.9% from INR 1,328 million in FY22 to INR 1,223 million in FY23. These declines indicate lower profitability for Dodla Dairy during the fiscal year.

PAT Margin: The PAT margin declined from 5.9% in FY22 to 4.3% in FY23, reflecting a decrease of 157 bps. The decline can be attributed to the increase in raw material prices during the year, partially offset by lower finance costs and higher other income.

EPS (Earnings Per Share): The earnings per share dropped by 8.3% from INR 22.24 in FY22 to INR 20.39 in FY23. This decline indicates a decrease in the company's profitability per share.

Non-current Assets: The non-current assets have shown a consistent upward trend over the years, with an increase from INR 5,374 million in FY19 to INR 7,775 million in FY23. This growth indicates the company's focus on long-term investments and expansion of its operations.

Current Assets: The current assets have also shown a positive growth trend, reaching INR 4,738 million in FY23. Effective management of short-term assets indicates the company's ability to optimise cash, inventory, and receivables.

Capex: Dodla Dairy invested INR 1,298 million during FY23, mainly towards automation, milk analysers, and solar systems. This investment reflects the company's commitment to improving its operational efficiency and infrastructure.

Average milk sales during FY23: Dodla Dairy witnessed a significant increase in average milk sales, with an average of 10.7 LLPD compared to 9.3 LLPD in FY22, representing a YoY increase of 14.5%. This growth indicates a positive trend in the company's core product.

Revenue from value-added products (VAP) and fat & fat-based products: Dodla Dairy experienced a substantial YoY increase in revenue from value-added products and fat & fat-based products, reaching INR 7,408 million during FY23, reflecting a growth of 26.0% compared to the previous year. This indicates successful market penetration and acceptance of their diversified product portfolio.

Curd sales during FY23: Dodla Dairy's curd sales also exhibited a positive growth trajectory during FY23, with sales of 323.8 MTPD, representing a 20.0% increase compared to FY22. This growth indicates the effectiveness of Dodla Dairy's strategies in capturing market demand for curd.

Relationship Capital

Dodla Dairy's relationship capital is built upon strong connections with its farmers, channel partners and customers. The company values its farmers and provides them with training and support, fostering a sustainable and reliable milk supply. Dodla Dairy also focuses on building trust and loyalty with its customers through consistent quality and excellent service. By nurturing skills and fostering relationships, Dodla Dairy ensures a thriving future for all stakeholders involved.

Dodla Dairy Farmers

Cow: The Vital Asset in the Dairy Value Chain

Cows are the most crucial assets in the entire dairy value chain, and it is the dairy farmers who maintain these invaluable assets. In terms of global milk production, India holds the distinction of being the world's largest milk producer, contributing over 20% of the total. Dairying serves as the primary livelihood for more than 80 million families in India. The majority of these families are small-scale farmers, typically managing herds consisting of just two animals on average.

Dodla Dairy Farmers

Dairy farmers play a pivotal role in Dodla's business as they ensure the uninterrupted supply of milk to our processing facilities. With a robust network, we procure milk from over 115,000 farmers through 7,602 automated Dodla procurement centres, equipped with stringent quality checks. Our procurement operations, processing plants, and milk distribution span several states, including Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, and Maharashtra. As part of our commitment to our dairy farmers, we provide them with a reliable and lucrative market, while also supplying them with animal feed through our subsidiary, Orgafeed Private Limited.

Accurate Analysis of Milk Quality

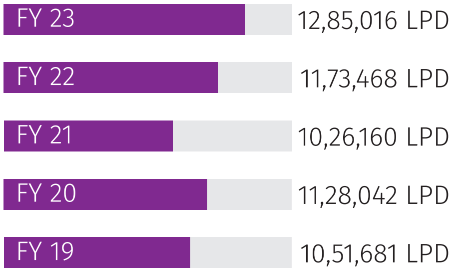
To ensure accuracy and reliability in analyzing the quality of the producers' milk, we employ ultrasonic milk analyzers. These analyzers measure the fat and solids-not-fat (SNF) content, which serves as the basis for payment. The data captured by the analyzers is directly processed by computers, which calculate the payment based on the rate chart programmed into the system. Each producer receives a slip detailing the quality, quantity, and price of their milk.

Efficient Data Transfer and Payment Processing

At the conclusion of milk collection, the data is transferred to the SAP system, and payment is made electronically once every 10 to 15 days.

Milk Procurement

Over the years, Dodla has consistently procured significant quantities of milk, with the following milk procurement figures (in Litres Per Day) recorded*:



** The figures are on standalone basis*

Dodla Dairy has implemented a robust direct milk procurement policy, which focuses on strengthening the dairy value chain, enhancing milk quality, and providing farmers with improved forward linkages. The key elements of this policy include transparent pricing, IT-enabled procurement process management, and prompt payment to farmers. This strategy has resulted in a remarkable increase in direct procurement from farmers over the years.

In FY14, only 7% of the milk was directly procured from farmers.

However, by FY23, this percentage increased substantially to 93%. This progressive shift towards direct procurement can be observed through the increasing number of Dodla Dairy Collection Centers (DDCs) and the corresponding rise in average Litres Per Day (LPD) procured through these centers.

Year	Number of DDCs	Average LPD	%
FY 14	322	44,980	7%
FY 15	907	1,12,121	15%
FY 16	1,769	2,65,870	34%
FY 17	2,452	4,03,459	43%
FY 18	3,544	5,04,804	49%
FY 19	5,581	7,39,284	70%
FY 20	6,285	9,20,881	82%
FY 21	6,771	9,51,791	93%
FY 22	7,837	10,97,732	94%
FY 23	**7,602**	**11,99,068**	**93%**

Feed Business

Dodla Dairy's feed business, Orgafeed, is involved in a wide range of agricultural activities including farming, breeding, horticulture, and allied activities such as poultry, dairy, and livestock farming. In addition to these operations, Orgafeed is also engaged in seed crushing, manufacturing, and dealing of groundnuts, gingerly, cotton, and the production of cattle feed.

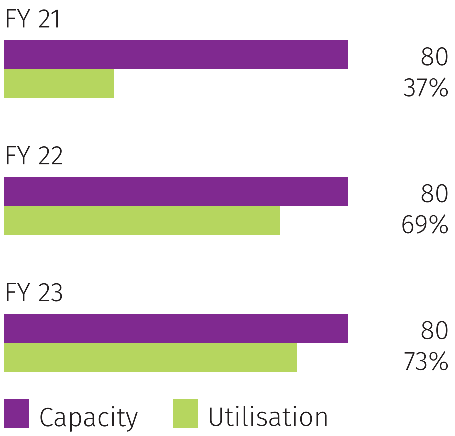
One of the key highlights of Orgafeed's operations is its state-of-the-art manufacturing facilities located in Kadapa, Andhra Pradesh. These facilities are equipped with advanced technology and infrastructure to ensure the production of high-quality cattle feed. The company's focus on modern manufacturing facilities reflects its commitment to delivering superior products to meet the nutritional needs of livestock.

Orgafeed adopts a unique approach by selling its cattle feed directly to farmers through its procurement network. This approach enables the company to have a direct relationship with its customers and ensures that farmers have access to the required feed for their livestock. Moreover, the cost of the cattle feed is adjusted against the value of raw milk supplied by the farmers, providing them with a convenient and transparent payment mechanism.

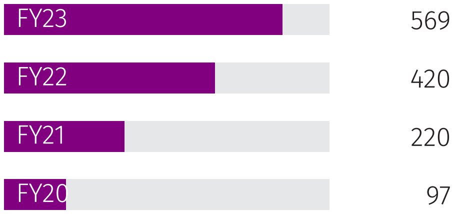
To further support farmers in their livestock management, Orgafeed has established partnerships with various veterinarians. These collaborations enable the company to provide valuable services to farmers, particularly in the care and health management of their milch animals. By offering access to veterinary expertise, Orgafeed enhances the overall well-being and productivity of the livestock, contributing to the farmers' success and profitability.

Through its feed business, Dodla Dairy's Orgafeed division plays a vital role in supporting the agricultural community and the dairy industry. The company's commitment to high-quality manufacturing, direct sales to farmers, and collaborations with veterinarians demonstrate its dedication to providing comprehensive support and solutions for livestock farmers. By focusing on the production of cattle feed and offering value-added services, Orgafeed contributes to the sustainable growth and prosperity of the farming community it serves.

Orga Feed Capacity (in MPTD) and Utilisation (%)



Sales (in Rs. Million)



Customers

Dodla Dairy has implemented several strategies to enhance the customer experience and increase brand equity. These initiatives have focused on various aspects of the customer journey, from product quality and innovation to customer service and engagement. Here are some ways Dodla Dairy achieves these goals:

Product Quality and Innovation

Dodla Dairy places a strong emphasis on ensuring high-quality dairy products. By maintaining stringent quality control measures throughout the production process, Dodla delivers products that meet or exceed customer expectations. This commitment to quality enhances customer satisfaction and builds trust in the brand. Dodla also invests in product innovation to introduce new and exciting offerings that cater to evolving consumer preferences.

Diverse Product Portfolio

Dodla Dairy offers a diverse range of dairy products, including milk, yogurt, ghee, paneer, cheese, and UHT milk. This wide product portfolio allows customers to find products that suit their tastes and dietary preferences, providing them with more choices and enhancing their overall experience.

Customer Service

Dodla Dairy places great importance on customer service. They ensure prompt and efficient responses to customer inquiries, feedback, and complaints. By addressing customer concerns effectively and providing timely support, Dodla Dairy demonstrates its commitment to customer satisfaction and fosters positive brand experiences.

Brand Communication: Dodla Dairy employs effective marketing and communication strategies to engage with customers and build brand equity. They leverage various channels, including social media, advertisements, and packaging, to create awareness and communicate the brand's values, quality, and product benefits. Transparent and compelling brand messaging helps to establish a strong brand image and increases customer trust and loyalty.

Partnerships and Collaborations

Dodla Dairy actively seeks partnerships and collaborations with local farmers, suppliers, and distributors. By working closely with these stakeholders, Dodla ensures a consistent and reliable supply chain, which translates into high-quality products for customers. Collaborative efforts also help in promoting sustainable practices, supporting local communities, and further enhancing brand equity.

Consumer Engagement

Dodla Dairy engages with its customers through various initiatives, such as events, loyalty programs, and online platforms. By actively involving customers in brand activities, seeking feedback, and incorporating their preferences, Dodla Dairy creates a sense of belonging and fosters a loyal customer base. Regular interactions and personalized experiences help strengthen the customer-brand relationship.

Overseas Business

The company continue to expand its operations in the African market, specifically in Kenya and Uganda, through its subsidiaries Lakeside Dairy Limited and Dodla Dairy Kenya Limited. In Africa, the company's product portfolio is marketed under the well-established brands "Dairy Top" and "Dodla +." This diverse portfolio includes a range of dairy products such as milk, yogurt with different flavours, ghee, paneer, cheese, and UHT milk.

One of the key advantages of operating in the African market is the higher margins for dairy players. This is primarily due to limited competition and a constrained supply of processed milk, allowing the company to benefit from favourable market conditions. Additionally, the presence of abundant grazing lands for a large animal population in Africa makes milk farming relatively easier and more cost-effective.

The company has implemented an integrated business model in Africa, similar to its operations in India. This integrated approach enables the company to have control over various stages of the dairy value chain, from procuring milk from farmers to processing and distributing dairy products. By maintaining control over these aspects, the company ensures high-quality standards, streamlined operations, and efficient management of the supply chain.

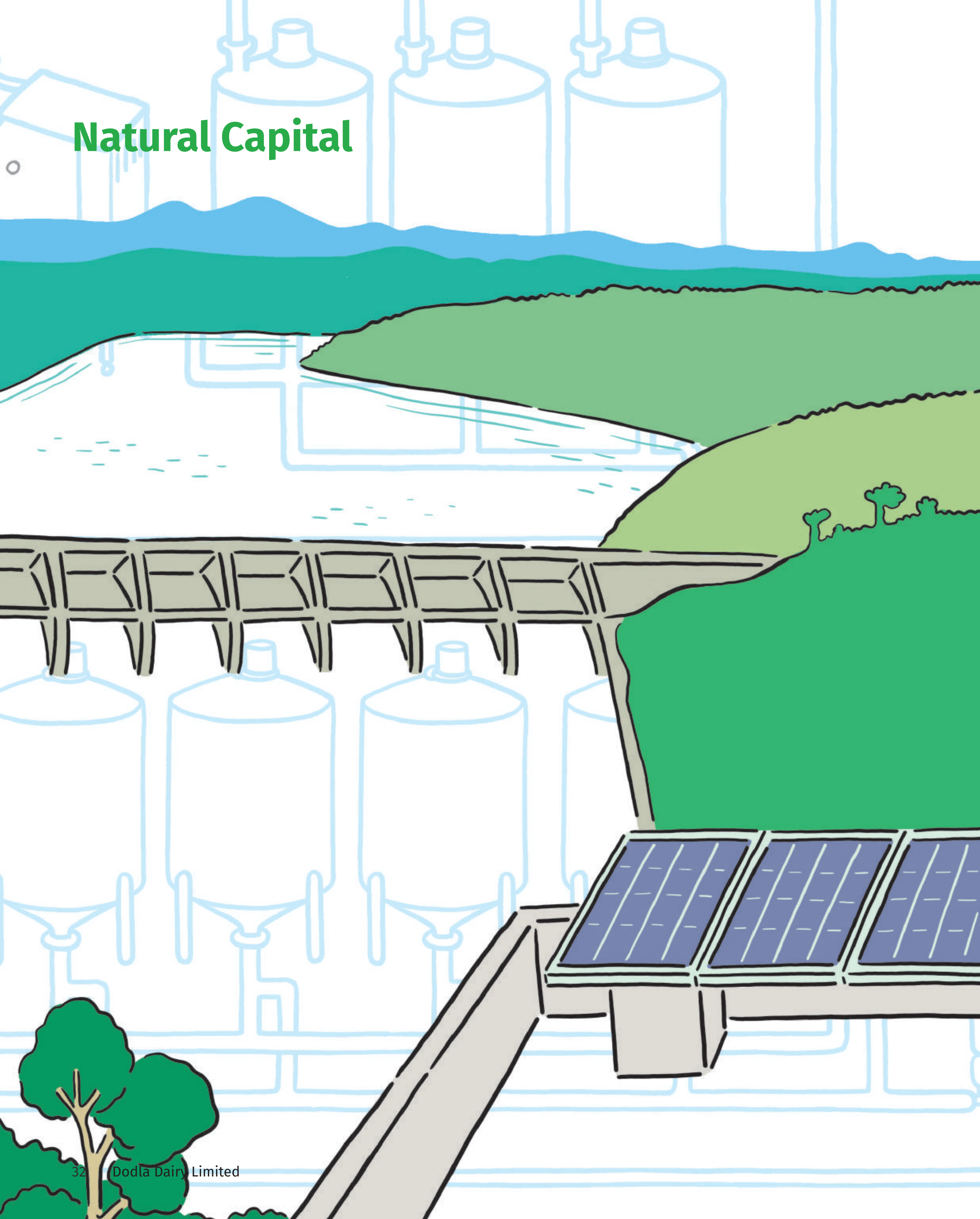
The East African market, with its growing population and increasing demand for dairy products, presents an attractive opportunity for dairy companies like the company. The region's favourable market dynamics make it a strategic target for expansion. The company aims to tap into the growing demand for dairy in East Africa and establish a strong presence in the market.

By expanding into Kenya and Uganda and leveraging its integrated business model, the company is well-positioned to capitalise on the opportunities presented by the African market. With its established brands, diverse product portfolio, and focus on quality, the company is poised to meet the growing demand for dairy products in East Africa and strengthen its position as a leading player in the region.

300,000

Plant Capacity (LPD)

Natural Capital



Dodla Dairy recognises the importance of responsible resource management and has implemented various initiatives to conserve water, energy, and promote waste recycling. These efforts align with the company's commitment to sustainable growth. By focusing on water conservation, improving energy efficiency, reducing emissions, and implementing efficient waste disposal approaches, Dodla Dairy aims to minimise its environmental footprint while realising positive economic benefits through cost savings.

Water Treatment and Recycling:

Dodla Dairy has invested in water treatment facilities to ensure responsible use of water resources. In FY23, the company treated approximately 5,22,276 KL (Kilo Liters) of water through its Effluent Treatment Plants (ETPs). The treated water is then utilized for various purposes such as cleaning crates, toilet flushing, floor cleaning, gardening, and agricultural needs. Despite incurring additional costs for water treatment, Dodla Dairy remains committed to recycling water, demonstrating its dedication to sustainable practices.

5,22,276 KL

(Kilo Liters) Water Treated

0.540 MT

Waste Recycled

Renewable Energy:

Dodla Dairy recognises the potential of renewable energy sources in reducing pollution and protecting the environment. The company has taken steps to install solar panels and boilers across its facilities. Although the initial investment may not have an immediate positive impact on costs, Dodla Dairy believes that these renewable energy initiatives will yield encouraging results in the medium to long term. Additionally, the company harnesses gas produced through effluent treatment for cooking purposes in its cafeteria, further showcasing its commitment to renewable energy utilisation.

36,72,764

Units

Total Energy Consumed from Renewable Sources:

Solar Panel Installations:

Dodla Dairy has successfully installed solar panels at its plants in Gundrampally, Vedasandur, and Batlagundu. These solar panels contribute to meeting 60-70% of the power requirements in these plants through renewable energy sources. By integrating solar power into its operations, Dodla Dairy reduces its reliance on conventional energy sources, minimizing carbon emissions and promoting a cleaner environment.

For more details on our environment initiatives refer page 116 under BRSR

Human Capital

Human resources management plays a crucial role in managing and developing the human capital of Dodla Dairy. The HR department focuses on various key priorities to support the organisation's growth and optimise its human resources.

Nurturing Skills and Diversity

Key HR priorities and objectives

Leadership pipeline: HR aims to develop a strong leadership pipeline for future growth by identifying high-potential individuals and providing them with training and growth opportunities.

Performance management: HR emphasises effective performance management across departments and levels. By implementing a robust evaluation system, HR recognizes and develops internal talent, accelerating their growth within the organization.

Optimising human capital: HR executes lean management practices to optimise human capital utilization. This includes deploying resources efficiently, streamlining processes, and enhancing productivity to reduce costs and align human capital with business goals for improved efficiency.

Training

TThe HR department organised 116 training programs this year, benefiting employees from various categories. The programs can be grouped as follows:

Skill and function development training: 1,386 employees received skill-based training to enhance their specific abilities and knowledge required for effective role performance.

Behavioural training: 213 employees participated in programs aimed at improving interpersonal and communication skills, teamwork, and overall workplace behaviour.

Leadership training: All Heads of Departments (HODs) underwent competency-based training to develop their leadership skills and capabilities for efficient team management.

Key Leadership Initiatives during the year

- HR conducted leadership training for all HODs to enhance their competencies.
- Ongoing mentoring activities for specific issues.
- Skill and personality development initiatives for employees across all locations.
- Continuation of existing initiatives to improve leadership capabilities and outcomes.

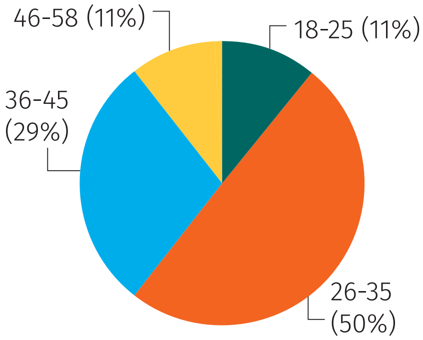
Diversity & Inclusion:

Equal Opportunities Commitment: The DDL HR Team is dedicated to Provide equal opportunities, free from discrimination based on factors such as age, colour, disability, origin, nationality, religion, race, caste, gender, language, geography, or proximity. We pledge not to engage in any form of discrimination, whether based on the mentioned factors or any other reasons.

Maintaining a Multi-generational Workforce: We actively strive to maintain a multi-generational workforce at Dodla Dairy, which enables us to strike a balance between energy and experience. The HR team has implemented initiatives to cater to each age group and ensure opportunities are provided to all.

The average age of individuals in different roles at Dodla Dairy is as follows:

- Board of Directors: 59 years
- Senior Management: 48 years
- Staff: 35 years



Employee Engagement

Employee Engagement Programs: Organized games, outings, and festival celebrations to boost employee engagement and retention at different locations.

Engagement Survey Results: Dodla HR conducted a comprehensive HR Survey during FY 22-23, receiving a significant response from employees across all levels and locations. The survey revealed an overall engagement level of 86%, indicating high employee satisfaction. The HR Department has an action plan to address areas for improvement identified through the survey.

Talent Retention and Acquisition Initiatives:

Employee Connect Program: Implemented "New Employee Connect Program" with 30-60-90 day meetings to establish a strong connection with new employees, reducing attrition.

Appraisal System: SuccessFactors PMS implemented for managers and above. Extended coverage to executive-level employees in the sales department. Role-specific KRAs designed in Employee Portal for better performance valuation.

Salaries and benefits: The various employee benefits like salary and other perks are being taken care year on year to match the industry standards at all times.

Grievance Handling: Revised Grievance Redressal Policy and conducted awareness sessions. Installed grievance boxes for transparent feedback and prompt resolution.

Talent Acquisition: Implemented psychometric evaluation for critical positions. Used platforms like LinkedIn for quality profiles. Introduced panel interviews and reduced time-to-fill for higher roles.

Behavioural Initiatives: Coached 23 sales managers to adopt a growth mindset for efficient handling of Hyderabad and Chennai markets.

EHS Initiatives: Implemented EHS initiatives across all plants, creating awareness about its importance. Recognized by the NSC of India with a Certificate of Appreciation under the Manufacturing Sector for 2022. Our Nellore Plant received the National Safety Council of India Safety Award 2022, recognising our achievement in Occupational Safety and Health.

Knowledge Management

Internal training were conducted at all locations to spread knowledge across different levels. Key knowledge management documents include PMS trackers, operational reports, administrative circulars, and evolving SOPs, aiding decision-making.

Identification of training needs and creation of role-specific tutorials further enhance knowledge management.

Measuring Human Capital

Dodla Dairy's HR Team measures HR and human capital ROI using the following tools:

PowerBI implementation: Utilizing the data visualisation tool, Dodla Dairy effectively analyses HR-related data and metrics. New reports in PowerBI help cross-check manpower deployment across similar locations and levels, assess and track employee performance, and provide feedback to Plant Heads for continuous improvement.

Board of Directors

Dodla Sesha Reddy
Chairman

Dodla Sunil Reddy
Managing Director

A Madhusudhana Reddy
Whole Time Director

Akshay Tanna
Nominee Director

Tallam Puranam Raman
Independent Director

Vinoda Kailas
Independent Director

Rampraveen Swaminathan
Independent Director

Raja Rathinam
Independent Director

Core Team

BVK Reddy
CEO

Anjaneyulu Ganji
Chief Financial Officer

Laxma Reddy
Head Production

Rameshwer Reddy
Head Sales

Ravi. P
Head of Project

VCS Reddy
Head Materials

Krishna Prasad
Head IT

Suresh Subramanian
Head Procurement

P V N Satish Reddy
Head Quality

A Madhusudhana Reddy
Head HR & Legal

Sri Hari Reddy
Head Operations
Uganda

Anand
Head Operations
Kenya

Narahari N
Head Operations
Orgafeed Pvt LTD

Surya Prakash M
Company Secretary
and Compliance Officer

Corporate Information

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

AUDIT COMMITTEE

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

NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

Registered & Corporate Office	:	8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033. Telangana, India. Ph: 040-45467777; Fax: 040-45467788 Email: cs@dodladairy.com www.dodladairy.com
Corporate Identification Number	:	L15209TG1995PLC020324
Statutory Auditors	:	M/s. S.R. Batliboi & Associates LLP Chartered Accountants The Skyview 10, 'North Lobby', 18th Floor Survey No 83/1, Raidurgam, Hyderabad – 500032 Telangana, India
Internal Auditors	:	M/s. BDO India LLP 1101/B, Manjeera Trinity Corporate JNTU-Hitech City Road, Kukatpally, Hyderabad-500072, Telangana, India
Secretarial Auditors	:	M/s. MNM & Associates Practicing Company Secretaries Flat No. 202, Plot No.472, GMR's Sai Kuteer, KPHB-6th Phase, Near Vijetha Super Market, Hyderabad - 500 072. Telangana, India.
Bankers	:	HDFC Bank Limited ICICI Bank Limited
Registrars & Share Transfer Agents	:	KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana, India Phone: +91 40 6716 1606 Fax: +91 40 23001153 Email id: einward.ris@kfintech.com Website: www.kfintech.com

Notice

Notice of the 28th Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting (AGM) of Dodla Dairy Limited (CIN: L15209TG1995PLC020324) will be held on Saturday, 08 July 2023 at 11:00 A.M. (IST) through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   a) the Standalone Audited Financial Statements of the Company for the Financial Year ended 31 March 2023 and reports of Board of Directors and Auditors thereon.

   b) the Consolidated Audited Financial Statements of the Company for the Financial Year ended 31 March 2023 and Report of Auditors thereon.

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

SPECIAL BUSINESS:

3. Alteration of the Articles of Association of the Company

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

"RESOLVED THAT pursuant to the provisions of 5, 14, 15 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with applicable rules made thereunder, including any statutory modification(s) or re-enactment(s) thereto, for the time being in force, and subject to the approval of the statutory authorities, the consent of the Members be and is hereby accorded to alter the Articles of Association of the Company as per the proposed draft placed on the website of the Company and placed before the members of the company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

4. Alteration of the Object Clause of the Memorandum of Association of the Company

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

"RESOLVED THAT pursuant to the provisions of 4, 13, 15 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with applicable rules made thereunder, including any statutory modification(s) or re-enactment(s) thereto, for the time being in force, and subject to the approval of the statutory authorities, the consent of the Members be and is hereby accorded to alter, amend and add in the Clause 3 (a) of Main object clause of the Memorandum of Association of the Company shall be in read as follows:."

Clause 3(a) of the Objects clause of the Memorandum of Association of the Company be titled as '**THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE**'.

1. To carry on the Business as manufacturers, processors, producers, preservators, canners, bottlers, farming, dairy farm, milk processing plants, research laboratories, retailers, makers, packers, repackers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaries in milk, evaporated milk, powdered milk, toned milk, standardise milk, full cream milk butter, cheese, cream, curd, panner and all types of milk products including she goat milk or any other animal milk , including dairy whitener, milk powder, non dairy whitener, infant milk formulas, baby foods , cereals, aerated mineral water, casein, and other related products such as chocolate, coffee, tea and other food preparations and beverages and as confectioners, dairymen, grocers, general provision merchants, refreshment contractors.

2. To Buy, sell, trade, manufacture, refine, prepare, pack and deal in all kinds of food including milk food products, beverages, infant foods, dietetic products, and other articles thereof.

3. To carry on business of manufacture, processors, producers, growers, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaires of and dealers in flour, cakes, pastry, chocolates, confectionery, sweets,

fruit drops, sugar glucose, chewing gums, ice cream, kulfi, fruit juices, canned fruits and fruit products, vegetables , flowers, dry fruits, fruit extracts, vegetables extracts, flowers extracts, dry fruit extracts, squashes, doodh peda , basundhi, gulab jamun, kalakand, ras malai, kaju katli, burfi rasgulla, soan papdi, mysore pak, junnu, yogurt , malai laddu, rabri, milk and malted food, horticultural products protein foods, maize products, butter, ghee, , malai, milk shakes, butter milk, lassi, candy, ice cakes, jelly & jelly products, syrups, flavored soft drinks, health drinks, frozen products, and other dairy products.

4. To carry on animal husbandry and conduct research in livestock, animal nutrition, buy & sell all kinds cattle feed and process animal feed, milk and milk based products, develop new procurement processes, new milk selling techniques and improvements, collect, process milk or milk based products, associated and allied areas of animal husbandry including but not limited to dairy or other such animal husbandry activities incidental or ancillary to the above objects.

5. To promote or invest in other companies with specific intent of developing and promoting some or all areas which are incidental or ancillary to Main Objects of the Company.

6. To own, lease ,operate cold storage, operate business of transportation, including vans, lorries, refrigerated transport vehicles and to buy, sell, trade , manufacture, import or export all types of packing materials .

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

5. Change in designation of Mr. Akshay Tanna (Din: 02967021) from Nominee Director to Non-Executive - Non-Independent Director of the company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 152 read with rules and any other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, SEBI Regulations and Articles of Association of the company, the consent of the Members be and is hereby accorded to change in designation of Mr. Akshay Tanna (DIN: 02967021) from Nominee Director to Non-Executive - Non-Independent Director of the company with effect from 20 May 2023 ".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

By Order of the Board of Directors
For Dodla Dairy Limited

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877

Place: Hyderabad
Date: 20 May 2023

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out material facts concerning the business under Item Nos. 3, 4 and 5 of the accompanying Notice, is annexed hereto and forms part of this Notice. The Board of Directors of the Company at its meeting held on 20 May 2023 considered that the special business under Item Nos. 3, 4 and 5 being considered unavoidable, be transacted at the 28th AGM of the Company.

2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular dated 5 May 2020 read with Circulars dated 8 April 2020, 13 April 2020, 13 January 2021, 14 December 2021, 5 May 2022 and 28 December 2022 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15 January 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 and SEBI/HO/DDHS/DDHSRACPOD1/ P/CIR/2023/001 dated 5 January 2023 has permitted the holding of the Annual General Meeting ("AGM") through Video Conference/Other Audio Visual Means, without the physical presence of the Members at a common venue.

   Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 28th AGM of the Company being conducted through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) herein after called as "e-AGM".

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

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

   a. Members can attend the meeting through login credentials provided to them to connect to Video Conference (VC)/Other Audio-Visual Means (OAVM) Physical attendance of the Members at the Meeting venue is not required.

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

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

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

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

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

8. In terms of the Ministry of Corporate Affairs ("MCA") Circular the Notice calling the e-AGM and Annual Report has been uploaded on the website of the Company at https://www.dodladairy.com/investor_annual_reports . The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at https://www.bseindia.com and https://www.nseindia.com respectively. The Notice and Annual Report is also available on the website of e-voting agency KFin Technologies Limited at the website address https://evoting.kfintech.com .

   The Annual Report for the Financial year ended 31 March 2023 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's Report or other documents required to be attached therewith (together referred to as Annual Report).

9. Members who have not yet registered their e-mail addresses, bank account details and mobile number are requested to register the same with their Depository Participants ("DP") since the shares are held by them in electronic Form.

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

11. The Register of Members and Share Transfer Books of the Company will remain closed from 30 June 2023 to 08 July 2023 (both days inclusive).

Instructions for the members for attending the e-AGM through video conference / other audio-visual mode:

i. Attending the e-AGM: Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM at https://emeetings.kfintech.com/ by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

ii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

iii. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. Facility of joining the AGM through VC/OAVM shall be open 15 minutes before the time scheduled for the AGM.

vi. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.

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

Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e., cs@dodladairy.com at least 2 days before the date of the e-AGM, so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date.

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

viii. Speaker Registration before e-AGM: Shareholders who wish to register as speakers at the AGM are requested to visit https://emeetings.kfintech.com register themselves between 05 July 2023 (10.00 Hours IST) and 06 July 2023 (17.00 Hours IST).

ix. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination, Remuneration and compensation Committee and Auditors are not restricted on first come first serve basis.

x. Members who need technical assistance before or during the AGM, can contact KFintech at https:// evoting. kfintech.com Corporate members intending to send their authorised representatives to attend the Annual General Meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company.

Instructions for E-Voting:

In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to members holding shares as on 30 June 2023 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.

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

Step 1:

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

Step 2:

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

Details on Step 1 are mentioned below:

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link: https://eservices.nsdl.com II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in point no.1 **3. Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e., KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e., KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

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

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Details on Step 2 are mentioned below:

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

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

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

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

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Dodla Dairy Limited - Annual General Meeting" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative on its behalf to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email id mnmandassociates@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name and Event No."

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

1 The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.

2 E-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.

3 Members / shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM.

4 Members who have voted through Remote e-Voting will be eligible to attend the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.

GENERAL INFORMATION:

1. The Company's equity shares are Listed at (i) BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai- 400001, Maharashtra, India; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai – 400051, Maharashtra, India and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2022-2023.

2. Members are requested to send all communication relating to shares to the Company's Registrar and Share Transfer Agent at KFIN Technologies Limited (Unit: Dodla Dairy Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Telangana State, India.

3. Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 and the rules made thereunder and Register of Contracts maintained under Section 189 of Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.

4. As required under Listing Regulations and Secretarial Standard - 2 on General Meetings details in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting, is separately annexed hereto. Directors seeking appointment/ re- appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.

GENERAL INSTRUCTIONS

(i) Members holding shares either in demat or physical mode who are in receipt of Notice, may cast their votes through e-voting.

(ii) Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps under heading 'INSTRUCTIONS FOR E-VOTING' above to vote through e-voting platform.

(iii) The e-voting period commences from 9.00 A.M. (IST) on 05 July 2023 to 5.00 P.M. (IST) on 07 July 2023. During this period, the members of the Company, holding shares in demat, as on the cut-off date of 30 June 2023 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(iv) The Company has appointed M/s. MNM & Associates, Company Secretaries represented by Mrs. Sridevi Madati, Practising Company Secretary (Membership No.F6476 and CP No. 11694) as the Scrutiniser to conduct the voting process (e-voting and poll) in a fair and transparent manner.

(v) The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the Annual General

Meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/ abstained, shall submit the Report to the Chairman of the Company.

(vi) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 28th Annual General Meeting of the Company scheduled to be held on Saturday, 08 July 2023, the results declared along with the Scrutinizer's Report shall be placed on the Company's website https://www.dodladairy.com/ and on the website of KFintech, https://evoting.kfintech.com/, within 48 hours of conclusion of the Annual General Meeting.

By Order of the Board of Directors
For Dodla Dairy Limited

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877

Place: Hyderabad
Date: 20 May 2023

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution No. 3,4 and 5.

Item No. 3 – Alteration of Articles of Association of the Company

On introduction of the Companies Act, 2013 and as per the request of investors, the Members of the Company adopted the new set of Articles of Association of the Company in the Extraordinary General Meeting held on 09 February 2021. The Articles of Association of the Company has two parts Part I pertaining as per the Companies Act, 2013 and part II pertaining to rights and obligations of the investors. As per Articles of Association of the Company Part II automatically terminates from the date of Listing of Equity Shares of the Company on a Recognized Stock Exchange, up to exit the investors and due to automatic termination of Subscription Agreement signed between the Company, its Promoters and certain investors of the Company. In order to align some of the Articles mainly with respect to directors, vacation of office of directors and amend Articles of Association as per the provisions of the Companies Act, 2013 including other relevant miscellaneous changes consistent with the amendments to the Companies Act, 2013 and other applicable laws in force.

The Board of Directors at its meeting held on 20 May 2023 proposed to alter the Articles of Association of the Company. A copy of the altered Articles of Association highlighting the proposed changes is placed before the members and also made available on the website of the Company.

In terms of the provisions of Section 5,14, 15 of the Act, the consent of the Members by way of Special Resolution is required for such alteration of Articles of Association of the Company. Hence the Board of Directors recommends the resolution at Item No. 3 for approval of the Members by way of a Special Resolution.

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

Item No. 4 – Alteration of the Object Clause of the Memorandum of Association of the Company

In order to make the main object clause of the Memorandum of Association comprehensive to add Milk & Milk Products, sweets, Ice creams , other dairy products and other items as mentioned in MOA, hence it is proposed to alter the main object clause of the Memorandum of Association of the Company.

The Board of Directors at its meeting held on 20 May 2023 proposed to alter the Memorandum of Association of the Company. A copy of the altered Memorandum of Association highlighting the proposed changes is placed before the members and also made available on the website of the Company.

In terms of the provisions of Section 4, 13, 15 of the Act, the consent of the Members by way of Special Resolution is required for such alteration of Memorandum of Association of the Company. Hence the Board of Directors recommends resolution Item No. 4 for approval of the Members by way of a Special Resolution.

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

5. Change in designation of Mr. Akshay Tanna (Din: 02967021) from Nominee Director to Non-Executive - Non-Independent Director of the company

Mr. Akshay Tanna (Din: 02967021) was appointed as a nominee Director of the Company on behalf of TPG Dodla Dairy Holdings PTE Limited under the provisions of the Companies Act, 2013, vide resolution passed at Board Meeting held on 21 July 2017 and by the Members at the Extra-Ordinary General Meeting held on 21 July 2017.

Since the investment made by the private equity TPG Dodla Dairy Holdings PTE Limited on behalf of whom, Mr. Akshay Tanna was appointed as nominee Director of the Company is nil. The relation of Mr. Akshay Tanna as nominee Director no longer exists, the management considering rich experience of Mr. Akshay Tanna as director it would be beneficial for the company hence it is proposed to continue him as Non-Executive - Non-Independent Director of the company. The Nomination, Remuneration & Compensation Committee considered and approved the change in designation and recommended it to the board. Upon recommendation of Nomination, Remuneration & Compensation Committee, the board of directors at their meeting held on 20 May 2023, considered and approved for change in designation of Mr. Akshay Tanna from Nominee Director to Non-Executive - Non-Independent Director of the company.

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

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution except Mr. Akshay Tanna being an appointee.

Brief profile of Mr. Akshay Tanna (Din: 02967021) is as follow:

Mr. Akshay Tanna holds a bachelor's degree in economics from the University of Pennsylvania. He has been with TPG Capital India Private Limited since 2011 and was a partner at TPG till May 2023. Before this, he has worked in organisations such as Deutsche Bank and Merrill Lynch.

ANNEXURE TO THE NOTICE DATED 20 MAY 2023

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

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

Dodla Sesha Reddy:

Particulars	Name of the Director Dodla Sesha Reddy
DIN	00520448
Date of birth and Age	10/12/1941 and Age: 81
Experience	He has been associated with our Company for more than 24 years and has dairy industry experience of more than 24 years. He is responsible for ensuring active engagement of board members and effective decision-making process to be followed in our board and committee meetings.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Father of Mr. Dodla Sunil Reddy Managing Director
Nature of appointment (appointment / re-appointment)	Retires by rotation and offers himself for re-appointment
Terms and Conditions of appointment / re-appointment	Appointment as a Non-Executive Director subject to retirement by rotation
Remuneration last drawn by such Person, if applicable and remuneration sought to be paid	Nil Consultancy fees paid - Rs. 3,900,000
Date of first appointment on the Board	15/05/1995
Shareholding in the company	Holds 556,716 Equity Shares
The number of Meetings of the Board attended during the year	5 out of 5
Directorship Details of the Board	Nelcast Limited Dodla Enterprises Private Limited Dodla Dairy Limited
Name of listed entities in which person also holds the directorship and membership/ chairmanship of Committees of other Boards	**NELCAST LIMITED:** **Chairman:** Stakeholders Relationship Committee **Member:** Audit Committee Nomination and remuneration committee Corporate Social Responsibility Committee

Akshay Tanna:

Particulars	Name of the Director
	Akshay Tanna
DIN	02967021
Date of birth and Age	20/11/1982 and Age: 40 Years
Qualification	Bachelor's degree in economics from the University of Pennsylvania
Experience and expertise in specific functional areas	He has been with TPG Capital India Private Limited since 2011 and is a partner at TPG till May 2023. Before this, he has worked in organisations such as Deutsche Bank and Merrill Lynch.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No related Directors, Manager and other Key Managerial Personnel of the Company
Nature of appointment (appointment / re-appointment/ Change Designation)	Change in designation from Nominee Director to Non-executive director
Terms and Conditions of appointment / re-appointment/ Change Designation	N. A
Remuneration last drawn by such Person, if applicable and remuneration sought to be paid	Nil
Date of first appointment on the Board	21 July 2017
Shareholding in the company	Nil
The number of Meetings of the Board attended during the year	5 out of 4
Directorship Details of the Board	Dodla Dairy Limited Landmark Cars Limited Brainbees Solutions Private Limited Swastik Hospitality Products Private Limited Sk Finance Limited Landmark Insurance Brokers Private Limited Busybees Logistics Solutions Private Limited Big Tree Entertainment Private Limited
Name of listed entities in which person also holds the directorship and membership/ chairmanship of Committees of other Boards	Nil

By Order of the Board of Directors
For Dodla Dairy Limited

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877

Place: Hyderabad
Date: 20 May 2023

Board's Report

Dear Members,

Your Directors are pleased to present the 28th Annual Report on the business and operations of Dodla Dairy Limited ("the Company/your Company") together with the Audited Financial Statements (Standalone and Consolidated) for the year ended 31 March 2023

FINANCIAL HIGHLIGHTS

(Amount (₹) in million)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Total Income	28,349.80	22,570.54	26,080.43	21,290.10
EBITDA	1,913.22	2,107.28	1,498.26	1,861.65
Finance Cost	12.10	65.18	11.99	64.93
Depreciation, Amortisation, Impairment	612.27	523.53	576.19	488.57
Profit Before Tax	1,518.36	1,655.60	1,149.27	1,633.41
Current Tax	413.91	434.61	296.40	385.81
Deferred Tax charge	(118.39)	(107.14)	(96.98)	(118.57)
Interim Dividend Paid (₹ /Share)	0	0	0	0
Paid up Equity Share Capital	594.93	594.93	594.93	594.93
Basic Earnings per Equity Share (in ₹)	20.55	22.43	15.97	23.07
Reserves	9,127.40	7,836.68	8,236.41	7,278.96

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On consolidated basis, the revenue from operations for FY 2023 was ₹ 28,120.29 Million, higher by 25.35% over the previous year's revenue of ₹ 22,433.51 Million. The profit after tax (PAT) attributable to shareholders for FY 2023 and FY 2022 was ₹ 1,222.84 Million and ₹ 1,328.13 Million, respectively.

On a standalone basis, the revenue from operations for FY 2023 was ₹ 25,841.24 Million, higher by 23.26% over the previous year's revenue of ₹ 20,964.84 Million in FY 2022. The profit after tax (PAT) attributable to shareholders for FY 2023 and FY 2022 was ₹ 949.85 Million and ₹ 1,366.17 Million, respectively.

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

TRANSFER TO RESERVES

There is no amount proposed to be transferred to reserves for Financial Year 2022-23.

DIVIDEND

Keeping in view the future expansion plans, your Board of Directors do not recommend any dividend for Financial Year 2022-23.

DIVIDEND DISTRIBUTION POLICY

The Company has adopted the Dividend Distribution Policy to determine the distribution of dividend in accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The Dividend Distribution Policy is available on the Company's website at: https://www.dodladairy.com/static/investors/code-of-policy/Dividend%20Distribution%20Policy.pdf

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

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

UTILISATION OF IPO PROCEEDS

Dodla Dairy Limited has raised funds through Initial Public Offer (IPO) aggregating up to ` 5,201.77 million ("offer"). The offer comprises an offer for sale of 10,985,444 equity shares aggregating up to ` 4,701.77 million ("offer for sale") and a fresh issue of 1,168,224 equity shares aggregating up to `500 million (1,168,224 equity shares of Rs. 428/-) with the object of utilization of net proceeds to fulfil the repayment and/ or pre-payment, in full or part, of certain borrowings availed by our Company from ICICI Bank Limited, the Hongkong and Shanghai Banking Corporation Limited and HDFC Bank Limited, Funding incremental capital expenditure requirements of our Company and General corporate purposes.

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

SHARE CAPITAL

During the year under review there was no change in the authorised or paid-up share capital of the Company.

The Authorised share Capital of the Company as on 31 March 2023 is Rs. 75,00,00,000 divided into 7,50,00,000 Equity Shares of Rs. 10 each fully paid up. The Paid-up Share Capital of the Company as on 31 March 2023 is Rs. 59,49,27,350 divided into 5,94,92,735 Equity Shares of Rs. 10 each fully paid up.

LISTING OF EQUITY SHARES

The Company's equity shares are listed on the following Stock Exchanges:

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

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

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the Financial Year 2023-24.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

During the year the company incorporated a wholly owned subsidiary of the company in Kenya i.e. Country Delight Dairy Limited, Date Of Registration 22 November 2022, Company Number: PVT-DLULG7LZ .

Country Delight Dairy Limited main object is to carry out production, processing of milk, milk products and distribution of dairy and other products.

The Company has invested KES 1,000,000.00 (1000 ordinary shares each KES 1,000.00) in Country Delight Dairy Limited, which is equivalent to 100 % of its issued and paid-up equity share capital.

The Company has 5 subsidiaries (i.e., Dodla Holdings Pte. Limited, Lakeside Dairy Limited, Dodla Dairy Kenya Limited, Country Delight Dairy Limited and Orgafeed Private Limited) and 1 associate company (i.e., Global Vetmed Concepts India Private Limited) as on 31 March 2023. There are no joint venture companies. There has been no material change in the nature of the business of the subsidiaries and associates.

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

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

The detailed policy for determining material subsidiaries as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link: https://www.dodladairy.com/static/investors/code-of-policy/Policy%20for%20Determining%20Material%20Subsidiary.pdf

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

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the Financial Year ended 31 March 2023 is appended to this Report as **Annexure – II.**

CONSOLIDATED FINANCIAL STATEMENTS

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

The Consolidated Financial Statements for the Financial Year ended 31 March 2023 forms part of the Annual Report.

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

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

During the Financial Year 2022-23, no company ceased to be subsidiary and associates of the company and your company does not have any joint ventures

KEY MANAGERIAL PERSONNEL & DIRECTORS

The appointment and remuneration of Directors are governed by the Policy devised by the Nomination, Remuneration and Compensation Committee of your Company. The detailed Nomination and Remuneration Policy on its website of the company: https://www.dodladairy.com/codes_and_polices

Key Managerial Personnel (KMP)

During the year under review, there was no change in the Key Managerial Personnel of the Company.

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

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

Directors

Dodla Sesha Reddy, Director, is liable to retire by rotation and being eligible for re-appointment.

The board of directors of the company proposed to change designation of Mr. Akshay Tanna from Nominee Director to Non-Executive - Non-Independent and the same is being placed before the shareholders of the Company in this 28th Annual General Meeting for their approval.

During the year under review, there was no change in Composition of the Board of the Company.

Composition of the Board

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

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, the Board met 5 (Five) times i.e., on 16 May 2022, 02 August 2022, 22 October 2022,19 November 2022 and 21 January 2023.

Details of the attendance of the Directors at the Board meetings held during the year ended 31 March 2023 are as follows:

Name of the Director	Number of Board Meetings	
	Held	Attended
Dodla Sesha Reddy	5	5
Dodla Sunil Reddy	5	5
A Madhusudhana Reddy	5	5
Akshay Tanna	5	4
Rampraveen Swaminathan	5	2
Tallam Puranam Raman	5	5
Dr.Raja Rathinam	5	5
Vinoda Kailas	5	5

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

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

i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;

ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2023 and Profit and Loss Account of the Company for that period;

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

iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31 March 2023 on a going concern basis;

v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPOSITION OF THE COMMITTEES AND ITS MEETINGS

Audit Committee

The Audit Committee comprises of following Directors:

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

During the period, the Audit Committee met 4 (Four) times on 16 May 2022, 02 August 2022, 22 October 2022 and 21 January 2023.

Details of the attendance of the Audit Committee held during the year ended 31 March 2023 are as follows:

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

Nomination, Remuneration and Compensation Committee

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

Name of the Director	Position	Designation
Rampraveen Swaminathan	Chairman	Independent Director
Raman Tallam Puranam	Member	Independent Director
Dodla Sesha Reddy	Member	Non Executive Non-Independent Director

During the period the Nomination, Remuneration and Compensation Committee met 2 (Two) times on 16 May 2022 and 21 January 2023.

Details of the attendance of the Nomination, Remuneration and Compensation Committee held during the year ended 31 March 2023 are as follows:

Name of the Director	Number of Nomination, Remuneration and Compensation Committee Meetings	
	Held	Attended
Rampraveen Swaminathan	2	2
Raman Tallam Puranam	2	2
Dodla Sesha Reddy	2	2

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of following Directors:

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

During the period the Stakeholders Relationship Committee met 1 (One) time on 21 January 2023.

Details of the attendance of the Stakeholders Relationship Committee held during the year ended 31 March 2023 are as follows:

Name of the Director	Stakeholders Relationship Committee Meetings	
	Held	Attended
Raman Tallam Puranam	1	1
Dodla Sunil Reddy	1	1
Akshay Tanna	1	0

Corporate Social Responsibility (CSR) Committee

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

Name of the Director	Position on the Committee	Designation
Dodla Sesha Reddy	Chairman	Non-Executive Non-Independent Director
Akshay Tanna	Member	Nominee Director
Vinoda Kailas	Member	Independent Director

During the period Corporate Social Responsibility (CSR) Committee met 2 (Two) time i.e., on 16 May 2022 and 21 January 2023.

Details of the attendance of the Corporate Social Responsibility (CSR) Committee held during the year ended 31 March 2023 are as follows

Name of the Director	Number of Corporate Social Responsibility (CSR) Committee Meetings	
	Held	Attended
Dodla Sesha Reddy	2	2
Akshay Tanna	2	1
Vinoda Kailas	2	2

Risk Management Committee

The Risk Management Committee consists of the following Directors:

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

During the period Risk Management Committee met 2 (Two) time i.e., on 02 August 2022 and 21 January 2023.

Details of the attendance of the Risk Management Committee held during the year ended 31 March 2023 are as follows

Name of the Director	Number of Corporate Social Responsibility (CSR) Committee Meetings	
	Held	Attended
Dr. Raja Rathinam	2	2
Akshay Tanna	2	1
Madhusudhana Reddy Ambavaram	2	2

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

https://www.dodladairy.com/static/investors/code-of-policy/Risk-Management-Policy.pdf

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

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 09 March 2023, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non- Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

DIRECTORS AND OFFICERS INSURANCE ('D&O')

As per the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance ('D&O') for all its Directors and members of the Senior Management.

BOARD PROCESSES, PROCEDURES AND PRACTICES

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

Decisions relating to the policy and operations of the company are arrived at meetings of the board held periodically. Meetings of the board enable discussions on matters placed before them and facilitate decision making based on collective judgment of the board. The company follows the best practices in convening and conducting meetings of the board and its committees. These include:

Frequency of meetings

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

Board agenda

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

Decision making process

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

Availability of information to the board

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

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company
- Minutes of meetings of audit committee and other committees of the board
- General notices of interest received from directors.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company
- Non-compliance of any regulatory, statutory duty
- Legal compliance reports and details of payment of statutory dues

Role of the Chairman

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

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

Role of Managing Director

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

- Setting a board agenda which is primarily focused on business, strategy, accountability, competitive performance and value creation;
- ensuring that issues relevant to this objective are reserved for board consideration, including determining the nature and extent of the significant risks the board is willing to embrace in the implementation of its strategy;
- developing, in particular, a productive working relationship with the CEO, providing support and advice while respecting executive responsibility;
- consulting the senior independent director on board matters consistent with regulations;
- ensuring effective processes are established relating to succession planning and the composition of the board, having regard to the benefits of diversity;

Role of CEO

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

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

Role of CFO

The Chief Financial Officer (CFO) is a key position within the company and is responsible for overseeing financial activities and providing strategic financial guidance. The CFO is responsible for developing and executing the company's financial strategy and analyzing data and market trends to make informed decisions that maximize profitability and shareholder value, financial planning and analysis, producing accurate forecasts, and collaborating with other departments to achieve financial goals. Additionally, the CFO plays a key role in risk management, identifying and mitigating financial risks to ensure the stability and success of the business.

The CFO is also responsible for maintaining accurate and transparent financial reporting and ensuring compliance with accounting standards and regulations. They control the company's capital structure by making financing and investment decisions in order to optimize capitalization and liquidity. The CFO also acts as a liaison between the company and external stakeholders, providing information on financial performance and establishing financial controls. Their knowledge and leadership skills contribute to the company's financial health and success.

Role of Company Secretary in overall governance process

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

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

The Company Secretary ensures transparency of information among all the stakeholders, He also updates Board with regular updates on Various statues which has significant impact on the operations of the Company , Board and Committees.

Decision making at the Board.

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

- ensuring that directors are afforded adequate time to prepare for meetings;
- allowing time for debate and challenge, especially for complex, contentious or business-critical issues;
- achieving timely closure on decisions taken; and
- providing clarity for executives on the actions required.

BOARD EVALUATION

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

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

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

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

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

FAMILIARIZATION PROGRAMMES

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

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

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

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

The detail policy on the familiarisation programme is available on the website at www.dodladairy.com

CODE OF CONDUCT

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

The detail policy on the Code of Conduct is available on the website at www.dodladairy.com

EMPLOYEES STOCK OPTION PLAN

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

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

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

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

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

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

(i) Key Managerial Personnel:

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

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

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

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

Details of loans, guarantee and investments are given in Note no. 8, 9,15, 20 and 25 to the Financial Statements attached.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended 31 March 20223 in prescribed Form AOC-2 is appended to this Report as **Annexure – III.**

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is https://www.dodladairy.com/static/investors/code-of-policy/Policy%20on%20Related%20Party%20Transactions.pdf

STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

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

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the web-link : https://www.dodladairy.com/annual_return

CORPORATE SOCIAL RESPONSIBILTY POLICY

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

A detail policy is available on the website of the Company at the weblink: https://www.dodladairy.com/static/investors/code-of-policy/CSR%20%20Policy.pdf

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

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

DEPOSITS

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

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

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

DISCLOSURE ABOUT COST AUDIT

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

AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS

Statutory Auditors

As per Section 139 of the Companies Act, 2013, read with your Companies (Audit and Auditors) Rules, 2014, the members of the Company in 27 Annual General Meeting of the Company ('27 AGM') approved the appointment of M/s. S.R.Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004) as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 27 AGM till the conclusion of 32 AGM.

The Report given by M/s. S.R.Batliboi & Associates LLP on the Financial Statements of your Company for the financial year 2023 is part of the Annual Report. The Notes on the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore, no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

Secretarial Auditors Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, M/s. MNM & Associates, Practising Company Secretaries had been appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the FY 2022-23. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as **Annexure- VII.**

Internal Auditors

The Board of Directors of the Company has appointed M/s. BDO India LLP as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31 March 2023.

REPORTING OF FRAUDS BY AUDITORS

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

VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy.

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

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

The brief detail about this mechanism may be accessed on the Company's website at the weblink: https://www.dodladairy.com/static/investors/code-of-policy/Risk-Management-Policy.pdf

PREVENTION OF SEXUAL HARASSMENT

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaints during the year.

The Company regularly conducts awareness programs for its employees.

The following is a summary of sexual harassment complaints received and disposed off during the year:

S. No.	Particulars	Status of the No. of complaints received and disposed off
1	Number of complaints on Sexual harassment received	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programs for its employees.
5	Nature of action taken by the employer or district officer	Not Applicable

Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints during the year.

NOMINATION, REMUNERATION AND COMPENSATION POLICY

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

The said policy of the Company is available on the Company's website at: https://www.dodladairy.com/static/investors/code-of-policy/N-R-Committee-Charter.pdf

STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Surya Prakash M , Company Secretary as Compliance Officer from 22 October 2021, who is responsible for setting forth procedures and implementing of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The 'Business Responsibility and Sustainability Report (BRSR) of your Company for the year ended 31 March 2023 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure – IX.**

CORPORATE GOVERNANCE

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

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

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

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

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended 31 March 2023 to which the Financial Statements relates and the date of signing of this report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has laid down internal financial control's, through a combination of Entity level controls, Process level controls and IT General controls inter-alia to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/ information, safeguarding of assets, prevention and detection of frauds and errors. The evaluations of these internal financial controls were done through the internal audit process and were also reviewed by the Statutory Auditors. Based on their view of these reported evaluations, the directors confirm that, for the preparation of financial statements for the financial year ended 31 March 2023, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively & that no significant deficiencies were noticed.

INTERNAL AUDIT & CONTROL SYSTEMS

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

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

INSURANCE

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

CREDIT RATING

Given below are the ratings given to the Company by ICRA Limited during the Financial Year ended 31 March 2023:

Facilities	Rating
Long Term Scale on Bank limits	[ICRA]AA- (Stable)
Short-Term Scale on Bank limits	[ICRA]A1+
Cash Credit / Short term Loan on Bank limits	[ICRA]AA- (Stable) / [ICRA]A1+
Instrument Rated (NCD)	[ICRA]AA- (Stable) Withdrawn

QUALITY

The company has established stringent quality control measures right from the milk collection level at a village to the consumers at the urban level, which include screening for various adulterants such as sugar, salt, urea, vegetable oil, detergents, maltodextrin etc. More than 95% of raw milk is being procured directly from the farmers. Recently, we have started checking Standard Plate Count (SPC) across all our Chilling Centers and Plants, which contributed for improvement in quality of raw milk. All our plants are certified with either FSSC 22000 V5.1 or ISO 22000:2018. We have deployed advanced FT machines at our major processing plants to check quality of incoming raw milk and finished products. We are continuously driving awareness programs on clean milk production to our farmers and vendors. We use the most advanced technologies for maintaining highest standards of quality. Since inception, Quality has been our top priority and we are committed to it.

BRANDING

As Dodla celebrates 25 years of successfully serving its consumers, we remain committed to delivering best quality milk and milk products packed with highest standards of hygiene at our state-of-the-art plants. At the same time, Dodla has undertaken a 360-degree approach to build brand equity by reaching out to consumers through different media like TV, Print, Digital, out-of-home. Dodla is also dialling up its presence in new age channels like E-Commerce to build salience with millennials. Dodla aims to become the most preferred dairy brand through continuous consumer engagement.

AWARDS AND RECOGNITIONS

During the Financial year 2022-23 the Company has received the following awards:

"CII award for food safety 2022 – Commendation Certificate for Significant Achievement in Food Safety" award from CII's Food and Agriculture Centre of Excellence (FACE) in "Dairy Products Large Business" for two of our units i.e. Gundrampally and Chendurthi.

"National Safety Council of India Safety Awards - 2022" in manufacturing sector awarded to Dodla Dairy Limited, Nellore Plant, Andhra Pradesh.

INITIATIVES FOR STAKEHOLDER AND CUSTOMER RELATIONSHIP

The Company has an effective Investor Relations Program ("IR") through which the Company continuously interacts with the investor community across various channels (Periodic Earnings Calls, Individual Meetings, Participation in One-on- One interactions and group meetings). The Company ensures that critical information about the Company is available to all the investors by submitting all such information to the Stock Exchanges and also uploading the information on the Company's website under the Investors Corner.

The Company strives to adopt emerging best practices in IR and building a relationship of mutual understanding with investors and analysts.

We place our customers at the centre of everything we do, aiming to provide food products effortlessly through world class process and systems. Development of robust customer relationship management is the top priority of the Organisation. Dodla has, therefore, taken great care in recognising the processes and frameworks that require attention to stringent checks and process for all its dairy products. It requires us to spend significant management time but at the same time, leads to better business and a better brand.

Customer satisfaction is the most important measure of success in our industry. All the effort we put in everyday gets translated into our high Customer retention and repeat customer volume. We reach out our customers to get their feedback about our products. In addition, we seek inputs on their future roadmap and priorities. This helps us measure the health of our relationships with our customers and what we can do to add value.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to provide a safe and healthy work environment for the well-being of all our Stakeholders. We regularly provide our employees with required EHS related training programmes enabling them to avoid accidents at all levels of workplace. We have created a safe and healthy environment by installing safety guards for all the machinery with regular maintenance. We consistently monitor our Environment, Safety & Health activities and continue to implement the risk reduction programmes that are aimed at reducing hazards at workplace by infusing latest technology and sustainable planning. Over the decade the company has adopted recycling of water, rain harvesting, solar panel installation and this has been continuous process at all our plants. We are conducting annual medical camps for all employees and workers across all locations. The company has no manual involvement from source to final product i.e., this makes all the employees and workers safe at awork place. We are providing personal accident insurance to milk collection agents. We are also using electric vehicles for milk procurement and distribution of milk products at few locations currently.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company believes that providing a congenial environment is a critical success factor for the organization growth and sustenance. The Company has taken all necessary steps through various policies and procedures to ensure good, safe and healthy environment across all locations. Also, Human resource development has been taken up as prime agenda and number of leadership development initiatives have been rolled out during the FY 2022-23 to ensure the people preparedness to handle the future growth. Many of the HR activities has been digitalized to enable employees to get all services on their fingertips. We have conducted many employee engagement programs/ activities, which improved the cross functional teamwork at all locations and among the departments. We have upgraded our PMS evaluation process and created methodical approach for clear cut identification of each employee contribution during the entire year through automation. This has enabled us to identify the potential people on whom the organization should invest time and energy while ensuring their growth path in the organization.

With regard to industrial relations, we have initiated a grievance redressal mechanism policy at all locations by installing grievance boxes at all plants, ccs and sales offices and encouraging all the employees and workers to raise their concerns/ challenges/ issues in writing. We have constituted grievance redressal committee at all locations to address and resolve the issues/ concerns raised. We have Safety Committee, Canteen Committee and Emergency Response Team at all plants constituting equal number of members from employees and workers.

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 other States, Registrar of Companies - Telangana, farmers, Distributors, lenders including bankers and most importantly consumers for support, your Company has been privileged to receive.

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

On behalf of the Board of Directors
For Dodla Dairy Limited

	Dodla Sunil Reddy	**Dodla Sesha Reddy**
Place: Hyderabad	Managing Director	Director
Date: 20 May 2023	DIN: 00794889	DIN: 00520448

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

Annexure - I

FORM AOC-1

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

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

Part "A": Subsidiaries

Sl. No.	Particulars	Details				
		US $	USh in '000	In Kshs.	₹ In Thousands	In Kshs.
1.	Name of the subsidiary	Dodla Holdings Pte. Limited (WOS)	Lakeside Dairy Limited (SDS)	Dodla Dairy Kenya Limited (SDS)	Orgafeed Private Limited (WOS)	Country Delight Dairy Limited (WOS)
2.	The date since when subsidiary was acquired	20-06-2014	15-07-2014	24-05-2017	28-08-2019	22-11-2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April 2022 to 31 March 2023				
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD = 82.112800 ₹	USh = 0.02177 ₹	Ksh = 0.619795 ₹	₹	Ksh = 0.619795 ₹
5.	Share capital	6,500,000	2,000,000	2,500,000	49,149.77	1,000,000
6.	Reserves & surplus	661,147	31,857,320	79,839,977	86,885.52	(3,732,516)
7.	Total Assets	7,187,774	45,409,701	156,497,820	640,771.31	108,367,316
8.	Total Liabilities	26,627	11,552,381	74,157,843	504,736.01	111,099,832
9.	Investments	1,401,336	0	0	0	0
10.	Turnover	0	99,113,452	1,426,103,187	568,958.38	0
11.	Profit before taxation	77,515	12,889,131	108,230,320	33,558.33	(3,732,516)
12.	Provision for taxation	(6,269)	(3,959,176)	(32,906,391)	(10,603.40)	0
13.	Profit /(Loss) after taxation	71,246	8,929,955	75,323,929	44,161.73	(3,732,516)
14.	Proposed Dividend	0	0	0	0	0
15.	Extent of shareholding (in percentage)	100%	0%	0%	100%	100%
16.	Type of Subsidiary	Wholly Owned Subsidiary	Step Down Subsidiary	Step Down Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary

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

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

Part "B": Associates and Joint Ventures

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

S. No	Name of associates/Joint Ventures	Global Vetmed Concepts India Private Limited (GVC)
1	Latest audited Balance Sheet Date	31 March 2023
2	Date on which the Associate or Joint Venture was associated or acquired	31.03.2016
3	Shares held by the company on the year end	
	No of Shares	3,866,923
	Amount of Investment in Associates/Joint Venture	38,669,230
	Extend of Holding %	47.88%
4	Description of how there is significant influence	Dodla Sunil Reddy, the Managing Director of the Company is a Director on Board of GVC and the Company holds 47.88% equity stake in the Company
5	Reason why the associate/joint venture is not consolidated	Investment in GVC is accounted under equity method as per IndAS 28 Investments in Associates
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	20,905,970/-
7	Profit/(Loss) for the year	(1,854,336/-)
i.	Considered in Consolidation	NA
ii.	Not Considered in Consolidation	Yes

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

On behalf of the Board of Directors
For Dodla Dairy Limited

Dodla Sunil Reddy
Managing Director
DIN: 00794889

Dodla Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 20 May 2023

Annexure - II

FORM AOC-1

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

PART- A- SUBSIDIARIES

Name of the Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit/ (Loss) before Taxation	Tax Expense/ (Benefit)	Profit/ (Loss) after Taxation	Other Compre-hensive Income / (Loss)	Total Compre-hensive Income / (Loss)	Proposed Dividend	% of share holding	Contribution to the overall performance of the Company
Dodla Holdings Pte. Limited	20-06-2014	31-03-2023	USD = 82.112800 ₹	6,500,000	661,147	7,161,147	26,627	1,401,336	0	77,515	(6,269)	71,246	0	71,246	0	100	0.44
Lakeside Dairy Limited	15-07-2014	31-03-2023	USh = 0.02177 ₹	2,000,000	31,857,320	45,409,701	11,552,381	0	99,113,452	12,889,131	(3,959,176)	8,929,955	0	8,929,955	0	0	14.85
Dodla Dairy Kenya Limited	24-05-2017	31-03-2023	Ksh = 0.619795 ₹	25,00,000	79,839,977	156,497,820	74,157,843	0	1,426,103,187	108,230,320	(32,906,391)	75,323,929	0	75,323,929	0	0	3.86
Orgafeed Private Limited	28-08-2019	31-03-2023	₹ In Thousands	49,149.77	86,885.52	640,771.31	504,736.01	0	568,958.38	33,558.33	(10,603.40)	44,161.73	0	44,161.73	0	100	3.42
Country Delight Dairy Limited	22-11-2022	31-03-2023	Ksh = 0.619795 ₹	1,000,000	(3,732,516)	108,367,316	111,099,832	0	0	(3,732,516)	0	(3,732,516)	0	(3,732,516)	0	100	(0.19)

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

PART B- ASSOCIATES AND JOINT VENTURES

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

Name of Associates/ Joint Ventures	Date on which the Associate or Joint venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate /Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year
			No	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				
Global Vetmed Concepts India Private Limited	31/03/2016	31-Mar-23	38,66,923	3,86,69,230	47.88%	Based on the percentage of holding over these investees	Dodla Dairy Limited do not have controlling stake at GVC despite being the single largest shareholder. Hence, GVC is an Associate entity of Dodla Dairy Limited and not a subsidiary. For this reason it is not consolidated	20,905,970	(1,854,336)
Names of associates or joint ventures which are yet to commence operations:					**NIL**				
Names of associates or joint ventures which have been liquidated or sold during the year:					**NIL**				

On behalf of the Board of Directors
For Dodla Dairy Limited

Dodla Sunil Reddy
Managing Director
DIN: 00794889

Dodla Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 20 May 2023

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)

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

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

   There were no contracts or arrangements or transactions entered into during the year ended 31 March 2023, which were not at arm's length basis.

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

   The details of contracts or arrangements or transactions at arm's length basis for the year ended 31 March 2023, are as follows:

Name of the Related Party	Nature of Relationship	Salient Terms	Amount in rupees million
Dodla Dairy, Vinjumur	Enterprise over which KMP have significant influence	Lease Rent paid	1.20
Surekha Milk Chilling Centre	Enterprise over which KMP have significant influence	Lease Rent paid	1.06
Hanslot Pile Foundation	Enterprise over which KMP have significant influence	Lease Rent Paid	0.33
Dodla Nutri Feeds LLP	Enterprise over which KMP have significant influence	Rent paid	0.11
		Sale of raw material	0.41
Global Vetmed Concept Private Limited ('GVC')	Associate Company	Purchase of Raw Material	8.12
		Payment made on behalf of GVC	4.27
Lakeside Dairy Limited	Subsidiary Company	Payment made on behalf of Lakeside Dairy	0.70
		Consultancy Income	0.48
Dodla Dairy Kenya Limited	Subsidiary Company	Consultancy Income	0.43
Dodla Holdings Pte Ltd	Wholly owned Subsidiary Company	Consultancy Income	0.07
Orgafeed Private Limited	Wholly owned Subsidiary Company	Payment made on behalf of Orgafeed	0.05
		Interest Income	23.76
		Consultancy Income	0.66
		Lease Rent Received	0.15
		Purchase of goods	566.81
		Investment made in shares	50.00
		Financial Guarantee Given	5.99
		Vehicle rent	0.08
		Unsecure Loans repaid	206.50
		Unsecure Loans Given	312.50

Name of the Related Party	Nature of Relationship	Salient Terms	Amount in rupees million
Dodla Sesha Reddy	Relative of KMP	Consultancy Fees	3.90
Dodla Silpa Reddy	Relative of KMP	Consultancy Fees	0.90
Tropical Bovine Genetics Private Limited	Enterprise over which KMP have significant influence	Purchase of goods	0.07
Dodla Foundation	Enterprise over which KMP have significant influence	Corporate social responsibility	16.17
Country Delight Dairy Limited	Wholly owned Subsidiary Company	Investment made in shares	0.67

Note:

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

On behalf of the Board of Directors
For Dodla Dairy Limited

Place: Hyderabad
Date: 20 May 2023

Dodla Sunil Reddy
Managing Director
DIN: 00794889

Dodla Sesha Reddy
Director
DIN: 00520448

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

Sr. No.	In the Accounts of	Disclosure of amounts at the year end and the Maximum amount of loans/ Advances/Investments outstanding during the year
1	Dodla Dairy Limited	Loans and Advances in the Nature of loans to subsidiary company Orgafeed Private Limited: Rs. **276.51 million** Maximum amount of loans/Advances/Investments outstanding during the year: **455.51 million** Loans and advances in the nature of loans to associate Company Global Vetmed Concepts India Private Limited: Rs. **Nil** Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: **Nil**

On behalf of the Board of Directors
For Dodla Dairy Limited

Place: Hyderabad
Date: 20 May 2023

Dodla Sunil Reddy
Managing Director
DIN: 00794889

Dodla Sesha Reddy
Director
DIN: 00520448

Annexure - IV

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

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

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

S. No	Name of the Director	Designation	Remuneration of Directors, KMP for the Financial year 2022-23 (amount in Rs.)	Ratio of the remuneration to the median remuneration of the employees
1.	Dodla Sesha Reddy	Chairman / Director	NIL	NIL
2.	Dodla Sunil Reddy	Managing Director	41,611,128	218.13
3.	Ambavaram Madhusudhana Reddy	Whole Time Director	4,252,726	22.29
4.	Akshay Tanna	Nominee Director	NIL	NIL
5.	Rampraveen Swaminathan	Independent Director	NIL	NIL
6.	Tallam Puranam Raman	Independent Director	NIL	NIL
7.	Dr.Raja Rathinam	Independent Director	NIL	NIL
8.	Vinoda Kailas	Independent Director	NIL	NIL

Median remuneration of Employees: Rs. 1,90,759/-

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

S. No	Name of the Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager	Designation	Percentage increase in remuneration
1.	Dodla Sesha Reddy	Chairman / Director	NIL
2.	Dodla Sunil Reddy	Managing Director	10.00%
3.	Ambavaram Madhusudhana Reddy	Whole Time Director	28.60%
4.	Akshay Tanna	Nominee Director	NIL
5.	Rampraveen Swaminathan	Independent Director	NIL
6.	Tallam Puranam Raman	Independent Director	NIL
7.	Dr.Raja Rathinam	Independent Director	NIL
8.	Vinoda Kailas	Independent Director	NIL
9.	Busireddy Venkat Krishna Reddy	Chief Executive Officer	14.00%
10.	Anjaneyulu Ganji	Chief Financial Officer	15.00%
11.	Surya Prakash Mungelkar	Company Secretary and Compliance Officer	5.80%

(iii) The percentage increase in the median remuneration of employees in the financial year is: 0.74

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

There are 2831 permanent employees on the rolls of the Company as on 31 March 2023.

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

The Average percentile increase in the last financial year in the salaries of employees is: 10.81%

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

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

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

On behalf of the Board of Directors
For Dodla Dairy Limited

	Dodla Sunil Reddy	**Dodla Sesha Reddy**
Place: Hyderabad	Managing Director	Director
Date: 20 May 2023	DIN: 00794889	DIN: 00520448

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

Sr. No	Name and Designation	remuneration received	nature of employment	qualifications and experience of the employee	date of commencement of employment	Age	the last employment held by such employee before joining the company	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
1.	Sunil Reddy Dodla - Managing Director	41,611,128	Regular	Highest Qual: B.E, Experience: 25 years	1-Sep-2005	55 years	Own Business	12.87	Son of Dodla Sesha Reddy, Chairman and Director
2.	Venkat Krishna Reddy Busireddy - CEO	27,856,990	Regular	Highest Qual: B.Sc, Experience: 36 years	24-Dec-1997	60 years	Amul	1.14	N.A

On behalf of the Board of Directors
For Dodla Dairy Limited

Dodla Sunil Reddy
Managing Director
DIN: 00794889

Dodla Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 20 May 2023

Annexure - V

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

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

   The CSR policy of Dodla Dairy's supports education, health care, and underdeveloped community through various developmental programs, called Dodla CSR policy. This policy shall apply to all major mandals and towns which are under developed and other areas as may be required. 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 returning back to the under developed 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.

   Details of CSR Policy is available on company website at: https://www.dodladairy.com/static/investors/code-of-policy/CSR%20%20Policy.pdf

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dodla Sesha Reddy	Chairman, Non-Executive Director	2 meetings (16 May 2022 and 21 January 2023)	2
2	Akshay Tanna	Member, Nominee Director		1
3	Vinoda Kailas	Member, Independent Director		2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   Composition of CSR committee: https://www.dodladairy.com/board_committees

   CSRPolicy:https://www.dodladairy.com/static/investors/code-ofpolicy/CSR%20%20Policy.pdf

   CSR projects approved by the board : https://www.dodladairy.com/uploads/investors/pdf/16607269326CSR_Projects_Approved_for_the_FY_2022-23.pdf

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. :** Not applicable to the Company.

5. **(a) Average net profit of the company as per sub-section (5) of section 135.**

Financial Year	Amount in ₹
2019-20	483,250,000
2020-21	1,672,503,579
2021-22	1,657,953,786
Total	**3,813,707,365**
Average	**1,271,235,788**

(b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** 25,424,716

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. 25,424,716

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred toUnspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Imple-mentation-Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1	PromotingEducation - Construction ofHostel -South Block	ii	Yes	Andhra Pradesh	Nellore			3,682,936	Nil	No	Dodla Foundation	CSR00022391
2	PromotingEducation - Construction ofHostel -East Block	ii	Yes	Andhra Pradesh	Nellore	36	18,336,166	5,945,014	12,391,153	No	Dodla Foundation	CSR00022391
	Total						**18,336,166**	**9,627,950**	**12,391,153**			

Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of imple-mentation -Direct (Yes/ No)	Mode of implementation – Through implementing agency.	
				State.	District.			Name.	CSR Registration number.
1	promoting health care including preventive health care	i	Yes	Telangana	Hyderabad	5,000,000	No	Dodla Foundation	CSR00022391
2	Promoting Education	ii	Yes	Telangana	Hyderabad	1,000,050	No	Dodla Foundation	CSR00022391
3	Promoting Education	ii	Yes	Tamil Nadu	Dharmapuri	82,000	No	Dodla Foundation	CSR00022391
4	Promoting Education	ii	Yes	Telangana	Hyderabad	360,000	No	Dodla Foundation	CSR00022391
5	Rural development projects	x	Yes	Tamil Nadu	Mahbubnagar	100,000	No	Dodla Foundation	CSR00022391
6	Eradicating hunger, poverty and malnutrition	i	Yes	Telangana	K.V.Rangareddy	400,000	Yes	-	-
7	Promoting Education	ii	Yes	Karnataka	Koppal	46,500	Yes	-	-
8	Promoting Education	ii	Yes	Tamil Nadu	Dindigul	100,000	Yes	-	-
	Total					**7,088,550**			

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

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

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)].:** 16,716,500

(e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
16,716,500	12,391,153	27 April 2023	Nil	Nil	Nil

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	25,424,716
(ii)	Total amount spent for the Financial Year	16,716,500
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
1.	2020-21	Nil	Nil	Nil	Nil	Nil	1,990,332	Nil
2.	2021-22	1,990,332	Nil	1,990,332	Nil	Nil	3,682,936	Nil
3.	2022-23	3,682,936	Nil	3,682,936	Nil	Nil	12,391,153	Nil
	Total				Nil	Nil	**12,391,153**	

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of Capital assets created/acquired NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:**

As per the project approved by the CSR committee to spend funds on infrastructure facility to the hostel students in Mahmuddapuram, Nellore District. Since, there was no request received from the hostel for funds, Company did not provide any fund to the hostel except as stated above.

On behalf of the Board of Directors
For Dodla Dairy Limited

Sd/-
Dodla Sunil Reddy
Managing Director
DIN: 00794889

Sd/-
Dodla Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 20 May 2023

Annexure - VI

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

A. CONSERVATION OF ENERGY

i. Steps Taken or Impact on Conservation of Energy:

Energy conservation dictates how efficiently a company can conduct its operations. The Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has undertaken various energy efficient practices that have reduced the growth in carbon dioxide (CO_2) emissions and strengthened the Company's commitment towards becoming an environment friendly organization. The Company has been certified by ISO 50001 for Energy Management System. A dedicated 'Energy Cell' is focusing on energy management and closely monitor energy consumption pattern across all manufacturing sites. Periodic energy audits are conducted to improve energy performance.

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

Solar System installation at Gundrampally plant 1036KW planned and work is under progress.

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

During the financial year 2022-2023 at Gundrampally plant, 1036KW Solar Installation planned, Rs. 4,85,94,816 project cost for utilizing alternate source of energy.

At Nellore plant, Rs.36,00,000/- invested for evaporative condensers-2nos and Rs.24,156/- invested for installing Led lights and Rs.7,67,000/- invested for Freon compressor for ice cream cold room.

At Vedasandur plant, 5 TON 21 KG Pressure Boiler Installed, at Rs. 1,24,66,669 project cost for utilizing single source of steam energy instead of double source of Steam boiler utilization.

At Palamaner plant, Rs.15,00,000/- invested for Evaporation Plant chillers-2nos and Rs.65,000/- invested for IBT Agitator and Rs.1,15,000/- invested for ETP Blower and Invested Rs.4,00,000 for Increasing Boiler & CIP Water Tank Capacity.

At Palacode plant, Rs.37500/- invested for IBT pump for Refrigeration system and invested for installing Led lights for plant lightings.

At Penumuru, for energy saving, invested Rs. 13,90,000/- for Freon compressor and Rs. 2,90,000 for 5HP compressor and Rs. 8,30,000 /- for new KCX model compressors and Rs. 20,000 for new LED and Rs. 10,000/- for cycle timers For ETP motors, milk silos, IBT agitator motors.

At Badvel Plant, invested Rs. 11,200/- replaced 8 Nos 250W flood lights with 100W lights to save Electrical Energy and to improve lighting lux.

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption.

- Installed LED lights in all the plants for electrical energy saving.
- At Nellore, replaced PHE condensers with Evaporative condensers in refrigeration section for energy saving. Installed Freon compressor for ice cream cold room to save consumption of electrical energy.
- At Vedasandur Plant, 5 Nos Solar 60W LED lights installed for electrical energy saving.
- At Chendurthi plant, 62 Nos LED lights installed for electrical energy saving.
- At Palamaner Plant, installed re-generation PHE Evaporation section for energy saving. Newly installed IBT Agitator in Refrigeration section to save consumption of electrical energy. Installed LED lights installed for electrical energy saving.

- At Penumuru, for energy saving, Ice cream cold room separated with butter cold room and separate Freon compressor installed. 5HP compressor installed in place of old 15hp air compressor. Old KC model ammonia compressors replaced with new KCX model compressors. Replaced new LED lights in place of old (Canteen, RO plant and Maintenance Section. Installed cycle timers For ETP motors, milk silos, IBT agitator motors. 24 Velocity air curtain installed in place of old air curtain. 10 TR ACU installed in milk cold store for additional cooling.
- At Palacode, Installed LED lights in plants for Electrical energy saving. Replaced the IBT pump in Refrigeration section for Electrical energy saving. New timer installed to IBT Agitator in refrigeration for Electrical energy saving. New sliding door installed in cold room for saving the electrical Energy.
- At Gundrampally plant - Arranged the automatic ON-OFF timers for Refrigeration IBT Agitators to save consumption of electrical energy. Motion sensors installed in Admin toilets and production building area to save electrical energy consumption. VFD provided for Boiler ID to save electrical energy. 100% utilizing the ETP methane gas to canteen to save LPG cost. Electrical Auto rickshaw utilizing for store materials shifting to save manpower and time.
- At Indragi plant, LED lights replacement done for electrical energy savings. Cyclic timers provided for IBT agitators and ETP motors for Energy savings in refrigeration section. Milk despatch dock closed with puff panels, to avoid the cold room temp. loss and reduced the consumption of electrical energy. Receiver kept for methane gas at canteen and 100% utilizing ETP methane gas to canteen to save LPG cost.

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

- By replacing the lights from normal to LED increased LUX in the production area for better quality of production.
- At Nellore, by replacing the PHE condensers with Evaporative condensers in refrigeration section Saved consumption of electrical energy like 447 Units per day. By installing Freon compressor for ice cream cold room, saved consumption of electrical energy like 446 units per day.
- At Palamaneru, by installing regeneration PHE in Evaporation section saved consumption of electrical energy by 86 Units per day. By installing IBT agitator in refrigeration, saved consumption of electrical energy like 46 units per day.
- At Palacode, by replacing the lights from normal FTL to LED Lights, it's increased lumens (LUX) and saving of electrical energy. Reducing the IBT pump rating or capacity for saving electrical energy. IBT pump replaced from 5KW to 3.7KW in Refrigeration, saving the electrical energy 26(kWh) units per day. Installed timer for IBT agitator motor 3.7KW in Refrigeration systems, here reduced the agitator running (6hr/d) and utilised maximum. Which saves the electrical energy by 22kwh / day. New sliding door installed at entrance, to avoid the cold room temp. loss and reduced the consumption of electrical energy.
- At Gundrampally plant – By arranging the automatic timers for refrigeration IBT Agitators, saved 96 KWH per day. Motion sensors installed in admin toilets and production building area to save 25KWH per day. VFD provided for Boiler ID to save 80KWH per day. 100% utilizing the ETP methane gas to canteen to save 12 nos LPG cylinders. Electrical Auto rickshaw utilizing for store materials shifting to save manpower and time.
- At Indragi plant, by replacing the lights from normal FTL to LED lights, Lumens (LUX) levels increased, and electrical energy savings done. By installing cyclic timers for IBT agitator motors and ETP motors reduced running hrs energy savings done. By utilizing the 100% ETP methane gas to canteen to save 12 no's LPG cylinders. By providing Milk despatch dock puff panels avoided the cold room temp. loss and reduced the consumption of electrical energy.

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

(iv) the expenditure incurred on Research and Development.

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

S. No	Particulars	2022-23	2021-22
1	Capital	540,849	1,071,804
2	Recurring	70,588,300	85,929,519
	Total	**71,129,149**	**87,001,323**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS	31 March 2023	31 March 2022
Foreign Exchange Earnings	Nil	170,752,992/-
Foreign Exchange Outgo	Nil	NIL

On behalf of the Board of Directors
For Dodla Dairy Limited

Dodla Sunil Reddy
Managing Director
DIN: 00794889

Dodla Sesha Reddy
Director
DIN: 00520448

Place: Hyderabad
Date: 20 May 2023

Annexure - VII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

To
The Members
DODLA DAIRY LIMITED
8-2-293/82/A/270-Q, Road No 10-C
Jubilee Hills, Hyderabad– 500 033
Telangana, India.

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

Based on our verification of the Company'sbooks, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31 March 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31 March 2023** according to the provisions of:

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

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

    (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

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

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

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

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

    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

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

    e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

    i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;.

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

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

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations').

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

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has generally complied with the following laws applicable specifically to the Company:

a) Food Safety and Standards Act, 2006 and the Rules made thereunder.

b) Prevention of Food Adulteration Act, 1954 and the Rules made thereunder.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the company not entered into / carried out any activity that has major bearing on the company's affairs.

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

Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: F006476E000361545

Place: Hyderabad
Date: 20 May 2023

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

Annexure A

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

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

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

Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: F006476E000361545

Place: Hyderabad
Date: 20 May 2023

Annexure - VIII
Management Discussions & Analysis

Indian Dairy Industry:

The Indian dairy sector has witnessed a significant transformation, positioning itself as a crucial secondary source of income for millions of rural families. Moreover, it has emerged as a primary driver of employment and income generation, with a particular focus on empowering women and supporting marginal farmers. Notably, the per capita availability of milk in India has surged to an impressive level of 444 grams per day during the year 2021-22, surpassing the global average of approximately 320 grams per day in 2021. This growth signifies the sector's remarkable progress and its vital contribution to meeting the nutritional needs of the population while fostering economic development.

Milk Production:

India remains the world's largest milk producer, with the Government implementing various measures to enhance livestock productivity. These initiatives have led to a significant increase in milk production. In the years 2020-21 and 2021-22, milk production reached 209.96 million tonnes and 221.06 million tonnes, respectively, representing an annual growth rate of 5.29%. As of 2021-22, the per capita milk availability stands at approximately 444 grams per day. The table below illustrates the milk production and corresponding annual growth rates (%) from 2011-12 to 2021-22.

Key Developments in FY23: In FY23, there have been key developments in the dairy industry. Milk production is estimated to have experienced a modest growth of just 1% during the fiscal year ending in March 2023. This growth rate falls well below the average annual rate of 5.6% witnessed over the past decade. Farmers are facing a challenging situation due to two factors. Firstly, their cows are affected by a deadly disease called lumpy skin disease, posing a threat to livestock health and productivity. Secondly, there has been a reduction in market-ready cattle stock as a consequence of the COVID-19 pandemic, which slowed down the breeding process.

The dairy industry has faced additional pressure due to a substantial increase of 39% in dairy product exports in 2022. This surge in exports, combined with reduced milk supplies, has led to a decrease in inventories of butter and skimmed milk powder (SMP). Simultaneously, the rising incomes of consumers have resulted in an increased demand for protein-rich dairy products. These products play a vital role in meeting the calcium, vitamin, and protein requirements of a large vegetarian population.

Industry officials anticipate a 7% growth in demand for dairy products this year. However, the prices of milk have already risen by more than 15% to ₹56 rupees per litre over the past year. This price surge, the sharpest in a decade, poses a challenge for the Union Government in achieving the desired retail inflation rate as targeted by the Reserve Bank of India (RBI).

Milk and Value Added Products

The Indian dairy market has witnessed remarkable growth, with a total size of approximately Rs. 13.17 lakh crore in 2021. Over the past 15 years, the dairy market has experienced a consistent annual growth rate of about 15%. According to the 2021 report by International Market Analysis and Consulting Services Private Ltd. (IMARC), it is projected that the market will reach a staggering size of around Rs. 30.84 lakh crore by 2027.

The liquid milk market plays a significant role, representing nearly half of the total dairy market in the country. In the last three years alone, the organised sector's share of the liquid milk market has surged from 32% to 41%. It is anticipated that the share of the organised sector will further increase, reaching 54% by 2026. This shift reflects the growing preference for organised dairy products among consumers.

The future prospects for the dairy industry are highly promising. The market for liquid milk is projected to grow by approximately 16% over the next 5-6 years. Additionally, niche products such as cheese, flavored milk, lassi, buttermilk, whey, and organic milk are expected to experience a robust growth rate of over 20% per annum. Traditional dairy products like paneer, ghee, ice-cream, khoa, curd, etc., are also estimated to grow between 11% to 20% annually.

In terms of volume, household consumption of milk and milk products currently stands at 16.1 crore tonnes. However, this figure is predicted to surge to 26.7 crore tonnes by 2030, indicating a significant increase in demand and consumption.

These growth projections highlight the immense potential of the Indian dairy sector, signifying its vital role in the economy and its ability to meet the evolving needs and preferences of consumers.

Indian Private Sector Dairy

Since the initiation of industrial licensing reforms in 1991, private sector companies have experienced impressive growth in expanding their processing capacities for milk and milk derivatives. They have made substantial investments in the dairy sector, surpassing the combined capacity of both dairy cooperatives and government dairies over the past two decades. Some of these private players have now exceeded the size of certain cooperative dairies and exhibit significant potential for further growth. The growth of the private sector creates market opportunities for a large number of farmers. Currently, there are a total of 1944 private dairies (milk processing units) with a capacity of 901.6 LLPD, as indicated by FSSAI licenses until May 2019.

SWOT Analysis of India Dairy Sector

Strengths:

Growing domestic demand: India has a large population with a significant appetite for dairy products, resulting in a strong domestic market and demand for milk and milk-based products.

Diverse product portfolio: The Indian dairy sector offers a wide range of products, including milk, ghee, butter, cheese, yogurt, ice cream, panner, flavored milk, lassi, buttermilk, whey, Sweets and more, catering to various consumer preferences and needs.

Ample availability of raw materials: India has a large number of dairy animals, including cows and buffaloes, providing a steady supply of milk as raw material for the dairy industry.

Vast rural network: The presence of a vast network of rural areas allows for easy procurement of milk directly from farmers, facilitating the involvement of small-scale and marginal farmers in the dairy sector.

Technological advancements: The adoption of modern technologies and practices in dairy farming, milk processing, and product development has improved productivity and quality in the sector.

Weaknesses:

Inefficient supply chain: The Indian dairy sector faces challenges in terms of infrastructure, logistics, and storage facilities, leading to wastage and quality deterioration of milk and dairy products.

Lack of cold chain infrastructure: The absence of a robust cold chain infrastructure affects the storage and transportation of perishable dairy products, limiting their shelf life and market reach.

Quality control issues: Maintaining consistent quality standards across the dairy sector remains a challenge, particularly in the case of unorganised or small-scale milk producers.

Limited processing and value addition: Despite the abundance of milk production, there is a need for increased investment in processing facilities and value-added products to enhance profitability and market competitiveness.

Fragmented industry structure: The Indian dairy sector is characterised by a large number of small-scale and unorganised players, leading to fragmentation and inefficiencies in the industry.

Opportunities:

Rising per capita income: As disposable income increases, consumers are likely to seek higher-quality dairy products, presenting opportunities for premium and value-added offerings.

Growing health consciousness: There is an increasing trend towards healthier food choices, creating a demand for organic, low-fat, and functional dairy products that cater to health-conscious consumers.

Export potential: India has the potential to become a significant player in the global dairy market, leveraging its large-scale production, competitive pricing, and expanding product portfolio.

Government support: The government has implemented various schemes and policies to support dairy farmers, promote investment in the sector, and enhance infrastructure, creating favourable conditions for growth.

Technological advancements: Continued innovation and adoption of advanced technologies in dairy farming, milk processing, and distribution can enhance productivity, reduce costs, and improve product quality.

Threats:

Price volatility of inputs: Fluctuations in the prices of animal feed, fodder, and other inputs can impact the profitability of dairy farming and processing.

Competition from imported products: The Indian dairy sector faces competition from imported dairy products, which may pose a challenge in terms of pricing, quality, and market share.

Adverse weather conditions: Natural disasters, droughts, and other weather-related events can affect milk production and availability of feed, impacting the overall performance of the sector.

Changing consumer preferences: Evolving consumer preferences and dietary habits may shift towards alternative sources of protein, posing a threat to the traditional dairy industry.

Regulatory challenges: Compliance with stringent food safety and quality regulations, as well as evolving labeling and packaging requirements, can present challenges for small-scale and unorganized players in the sector.

Animal health issues: Animal health issues pose risks to the dairy sector. Outbreaks of diseases like foot-and-mouth disease, mastitis, and other livestock ailments can reduce milk production, increase treatment costs, and compromise animal well-being.

Review of Operations

Milk Procurement:

Total Chilling Centers / RMRD: The number of chilling centres has gradually increased over the years. Starting from 85 in FY19, it reached 86 in FY20, 94 in FY21, 110 in FY22 and 118 in FY23. This is an outcome of Dodla Dairy's efforts to expand its procurement infrastructure and reach more areas for milk collection.

Total Procurement Transport Vehicles: The number of procurement transport vehicles has increased over the years, based on the need for improved logistics and transportation capabilities. Starting from 725 in FY19, it decreased to 695 in FY20 but then increased to 740 in FY21. There was a significant jump to 844 in FY22 and a slight decline to 825 in FY23. Overall the increase of transport vehicles is in line with Dodla Dairy's efforts to enhance its fleet capacity to meet the growing milk procurement demands.

Milk Procurement - DDL (Litres Per Day): The quantity of milk procurement by Dodla Dairy has shown consistent growth over the years. Starting from 7,39,284 liters per day in FY19, it further more increased to 9,20,881 in FY20, it slightly increased to 9,51,791 in FY21. There was a significant jump to 10,97,732 in FY22 and a further increase to 11,99,068 in FY23. This indicates the

company's ability to attract more farmers and increase milk production despite ongoing challenges related to animal health and climate issues.

Number of Dodla Milk Collection Centers: increased from 5,581 in FY19 to 6,285 in FY20, further grew to 6,771 in FY21, and reached a peak at 7,837 in FY22. However, there was a slight decline to 7,602 in FY23. This is due to various factors including rationalisation considering various market and operational aspects.

Total Farmers:

The total number of farmers associated with Dodla Dairy has shown a mixed trend. The average milk procurement per farmer increased to 10 litre in FY'23 from 3 litre in FY'19. It started at 2,33,036 in FY19, decreased to 1,83,926 in FY20 mainly due to covid challenges, and further decreased to 1,09,670 in FY21 and to 1,21,214 in FY22. The numbers marginally decrease to 1,15,971 in FY23. These minor fluctuations in farmer numbers have no significant impact on the operations and are influenced by external factors such as market conditions and farmer preferences.

Milk & Value Added Products

Dodla offers a diverse product profile in both the liquid milk and by-product categories. Here is an analysis of Dodla's product offerings:

Liquid Milk Category (5 variants):

Fresh Milk: Dodla offers fresh milk, which is likely to be available in different quantities such as 500ml, 1 liter, etc.

Butter:

Dodla produces butter, which is a dairy product made from milk or cream. It is commonly used as a spread or for cooking purposes.

Ghee:

Ghee is a clarified butter commonly used in Indian cuisine. Dodla offers ghee as part of its product lineup.

Paneer:

Paneer, also known as Indian cottage cheese, is a popular dairy product used in various Indian dishes. Dodla produces paneer for its customers.

Curd:

Curd, also known as yogurt, is a fermented dairy product with a creamy texture. Dodla offers curd as part of its product category.

Flavoured Milk:

Dodla produces sterilized flavored milk, which likely includes different flavors such as chocolate, strawberry, pista, badam etc. Flavored milk is a popular beverage among consumers, especially children.

Doodh Peda:

Doodh peda is a traditional Indian sweet made with condensed milk and flavored with cardamom. Dodla offers this sweet as part of the product range.

Ice Cream:

Dodla produces ice cream, which is a frozen dessert available in various flavors and formats.

Skimmed Milk Powder:

Skimmed milk powder is produced by removing the cream from milk and drying the remaining milk solids. Dodla offers skimmed milk powder as a product option.

Buttermilk/Sweet Lassi:

Buttermilk is a refreshing drink made from fermented milk, and sweet lassi is a sweetened yogurt-based drink. Dodla offers these beverages as part of its product category.

Product Performance Highlights:

- Revenue from value-added products (VAP) and fat & fat-based products was at ₹7,408 Mn of the overall dairy revenue during FY23 i.e a year on year increase of 26.8%.
- 10.7 LLPD is the average milk sales during FY23 as compared to 9.3 LLPD in FY22 i.e an year on year increase of 14.5%.
- 323.8 MTPD is the Curd sales during FY23 as compared to 269.8 MTPD in FY22 i.e an year on year increase of 20.0%.

Sales & Distribution Channels:

DRP's (Distributor Retailers Partners):

The number of DRP's has shown a consistent increase over the years, starting from 192 in FY18 and reaching 580 in FY23. The company has been successful in expanding its network of distributor retailer partners in its markets.

Agents:

The number of agents initially increased from 3,658 in FY18 to 4,226 in FY20 but experienced a decline in subsequent years, reaching 2,627 in FY23. This suggests some fluctuations in the agent network, potentially indicating changes in the distribution strategy or market conditions.

Milk & Product Distributors:

The number of Distributors having an increase trend from 1,009 in FY18 to 1,769 in FY23. This indicates the presence of expanding of distributors specializing in milk and dairy products within Dodla's distribution network.

Total:

The total number of sales and distribution partners (including DRP's, agents, and milk & product distributors) increased from 4,859 in FY18 to a peak of 7,365 in FY20. However, in the subsequent years, the total number decreased, reaching 4,976 in FY23. This potentially indicating changes in the distribution strategy or market conditions.

Review of Financial Performance:

Against a challenging industry scenario in FY23 mostly related to milk product related challenges across India, Dodla Dairy witnessed growth in revenues and gross profit, but experienced a decline in profitability indicators mainly due to Multiple sectoral headwinds like lumpy skin disease and rise in milk prices.

Revenue:

Dodla Dairy experienced a significant increase in revenues, from INR 22,434 million in FY22 to INR 28,120 million in FY23, representing a year-on-year (YoY) growth of 25.3%.

Cost of Goods Sold:

The cost of goods sold also increased, from INR 16,262 million in FY22 to INR 21,409 million in FY23, indicating a YoY growth of 31.7%.

Gross Profit:

Despite the increase in revenues and cost of goods sold, Dodla Dairy managed to achieve a gross profit of INR 6,711 million in FY23, compared to INR 6,172 million in FY22, reflecting a YoY growth of 8.7%.

Gross Profit Margin:

However, the gross profit margin declined from 27.5% in FY22 to 23.9% in FY23, a decrease of 364 basis points (bps). This is primarily due to increase in raw material prices during the year.

Expenses:

Employee expenses increased by 16.3% from INR 1,024 million in FY22 to INR 1,191 million in FY23, while other expenses rose by 18.6% from INR 3,040 million to INR 3,607 million during the same period.

EBITDA:

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) decreased by 9.2% from INR 2,107 million in FY22 to INR 1,913 million in FY23.

EBITDA Margin:

The EBITDA margin also decreased from 9.4% in FY22 to 6.8% in FY23, representing a decline of 259 bps. as mentioned above due to increase in raw material prices during the year.

Other Income:

Dodla Dairy experienced a significant increase in other income, from INR 137 million in FY22 to INR 230 million in FY23, indicating a YoY growth of 67.5%.

EBT (Earnings Before Tax):

EBT decreased by 8.3% from INR 1,656 million in FY22 to INR 1,518 million in FY23.

PAT (Profit After Tax):

The company's net profit after tax decreased by 7.9% from INR 1,328 million in FY22 to INR 1,223 million in FY23.

PAT Margin:

The PAT margin declined from 5.9% in FY22 to 4.3% in FY23, reflecting a decrease of 157 bps. as mentioned above due to increase in raw material prices during the year and partially benefiting from lower finance cost and higher other income.

EPS (Earnings Per Share):

The earnings per share dropped by 8.3% from INR 22.24 in FY22 to INR 20.39 in FY23.

Assets:

Non-current Assets: The non-current assets have shown a consistent upward trend over the years, with the company's focus on long-term investments. Starting from INR 5,374 million in FY19, it has increased to INR 5,697 million in FY20 and remained relatively stable at INR 5,703 million in FY21. There was a significant increase to INR 6,869 million in FY22 and further growth to INR 7,775 million in FY23 on account of investing in non-current assets such as property, plant, and equipment to support its operations and future growth.

Current Assets: The current assets have also shown a positive growth trend, indicating effective management of short-term assets. Starting from INR 2,061 million in FY19, current assets increased to INR 2,229 million in FY20 and further grew to INR 4,019 million in FY21. However, there was a slight decline to INR 4,015 million in FY22, followed by another increase to INR 4,738 million in FY23. Dodla Dairy has been able to effectively manage its working capital by optimising cash, inventory, and receivables.

Capex:

We Spent INR 1,298 million during the FY23, mainly towards Automation, Milk Analyzers and Solar system and etc.

Review of Sales

Average milk sales during FY23:

Dodla Dairy witnessed a significant increase in average milk sales during FY23. The average milk sales were reported at 10.7 LLPD compared to 9.3 LLPD in FY22, representing a YoY increase of 14.5%. This growth indicates a positive trend in the company's core product.

Revenue from value-added products (VAP) and fat & fat-based products:

Dodla Dairy experienced a substantial YoY increase in revenue from value-added products and fat & fat-based products. The revenue generated from these segments reached ₹7,408 million during FY23, reflecting a growth of 26.0% compared to the previous year. This indicates successful market penetration and acceptance of their diversified product portfolio.

Curd sales during FY23:

Dodla Dairy's curd sales also exhibited a positive growth trajectory during FY23. The company sold 323.8 MTPD of curd, representing a 20.0% increase compared to FY22 when the sales stood at 269.8 MTPD. This growth indicates the effectiveness of Dodla Dairy's strategies in capturing market demand for curd.

Performance during recent quarters:

The average milk sales LLPD during the recent quarters provides insights into the company's quarterly performance. The sales figures were as follows:

Q4FY23	10.8 LLPD
Q3FY23	10.5 LLPD
Q2FY23	10.9 LLPD
Q1FY23	10.4 LLPD
Q4FY22	9.7 LLPD

Consistent increase in average milk sales throughout the quarters, with a peak in Q2FY23. This indicates a positive growth trajectory and a well-managed sales strategy.

VAP sales: The revenue generated from value-added products (VAP) in INR million shows the following figures for each quarter:

	₹ million
Q4FY23	1,858
Q3FY23	1,533
Q2FY23	1,727
Q1FY23	2,290
Q4FY22	1,536

VAP sales experienced seasonal fluctuations during the quarter, with a significant increase in Q1FY23. However, overall revenue from VAP showed a positive YoY growth during FY23.

Performance during the last five years:

Average Milk Sales (LLPD):

	₹ million
FY23	10.7 LLPD
FY22	9.3 LLPD
FY21	8.5 LLPD
FY20	9.9 LLPD
FY22	8.6 LLPD

Dodla Dairy has shown a mixed sales performance in terms of average milk sales over the past five years. There was a significant increase from FY19 to FY20, followed by a slight decrease in FY21 due to Covid. However, the company experienced consecutive growth in FY22 and FY23, with a notable increase in FY23 compared to the previous years.

Curd Sales (MTPD):

	₹ million
FY23	323.8 MTPD
FY22	269.8 MTPD
FY21	223.8 MTPD
FY20	292.5 MTPD
FY19	244.4 MTPD

Curd sales for Dodla Dairy exhibited fluctuating performance over the past five years. There was an increase from FY19 to FY20, followed by a decline in FY21 due to covid. However, the company experienced growth in FY22 and FY23, with a significant increase in FY23 compared to the previous years.

VAP Sales (INR Million):

	₹ million
FY23	7,408 Mn
FY22	5,878 Mn
FY21	4,865 Mn
FY20	5,794 Mn
FY19	4,579 Mn

During the last 5 years Dodla Dairy's revenue from value-added products (VAP) showcased a mixed performance i.e subdued performance in FY21 due to covid lockdowns and subsequent disruptions in retail and Horeca segements. However, the company rebounded with an increase in FY22 and FY23, with a significant rise in FY23 compared to the previous years.

Review of Overseas Operations:

Dodla Dairy in the recent years has expanded its operations in Africa and currently operates in Uganda and Kenya through its subsidiaries Lakeside Dairy Limited and Dodla Dairy Kenya Limited. In Africa, Dodla Dairy markets its products under the brands "Dairy Top" and "Dodla +". The company offers a diverse product portfolio, including milk, yogurt with different flavors, ghee, paneer, cheese, and UHT milk.

One of the key advantages of Dodla Dairy's operations in Africa is the higher margins it enjoys due to limited competition and a constrained supply of processed milk. This favorable market condition allows the company to achieve better profitability compared to other dairy players in the region.

Dodla Dairy also benefits from the abundant grazing lands available in Africa, which facilitates easier dairy farming as a livelihood for many. This advantage helps ensure a consistent supply of milk.

The business model implemented by Dodla in Africa is similar to its integrated model in India. This approach involves engaging in various stages of the dairy value chain, from procuring to processing and distributing dairy products. By controlling different aspects of the value chain, Dodla can maintain quality standards, streamline operations, and ensure efficient supply chain management.

The East African market, including countries like Kenya and Uganda, offers promising prospects for dairy companies like Dodla. With a growing population and increasing demand for dairy products in the region, it presents an attractive market for expansion. Dodla Dairy aims to capitalise on this favorable market environment by leveraging its product portfolio, established brand presence, and efficient business model.

By establishing subsidiaries and marketing its products under recognised brands in Kenya and Uganda, Dodla Dairy has positioned itself to tap into the rising demand for dairy products in Africa. The company's commitment to quality, innovation, and customer satisfaction enables it to compete effectively and capture a significant market share in East Africa's dairy industry.

Review of Operations – Feed Business

The feed business of Dodla Dairy, known as Orgafeed, offers a range of agricultural and livestock-related activities, is procure raw material, manufacture cattle feed and sell the same through their network of milk collection centres of 7,600+ in numbers.

One of the key highlights of Orgafeed is its state-of-the-art manufacturing facilities located in Kadapa, Andhra Pradesh. These modern facilities are equipped to produce high-quality cattle feed to meet the demands of the market effectively.

Another notable aspect of Orgafeed's operations is its direct sales approach, selling feed directly to farmers through its extensive procurement network. This approach ensures a streamlined supply chain and enables the company to maintain a strong relationship with its customers, the farmers. By directly engaging with farmers, Orgafeed can understand their needs better and provide tailored feed solutions to optimise livestock health and productivity.

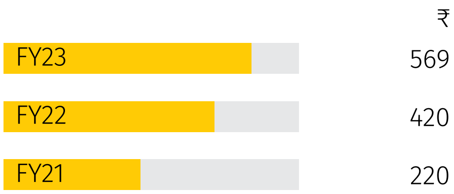
Furthermore, the partnership with various veterinarians to provide services to farmers for their milch animals demonstrates Dodla Dairy's commitment to supporting the well-being and health of the livestock. By collaborating with experts in veterinary care, Orgafeed not only provides high-quality feed but also offers additional value-added services to enhance animal health and productivity.

Overall, based on the provided information, Dodla Dairy's feed business, Orgafeed, seems to have a strong manufacturing infrastructure, a direct sales approach, and a focus on customer support through veterinary tie-ups

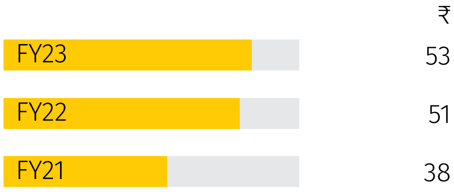
Review of financial Performance

Orgafeed has shown a strong growth trajectory in operating revenue, EBITDA figures.

Revenue (In INR Million)



EBITDA (In INR Million)



Annexure - IX
Business Responsibility & Sustainability Report
for the Financial Year ended 31 March 2023

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L15209TG1995PLC020324
2.	Name of the Listed Entity	DODLA DAIRY LIMITED
3.	Year of incorporation	1995
4.	Registered office address	8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033. Telangana, India.
5.	Corporate address	8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033. Telangana, India.
6.	E-mail	cs@dodladairy.com
7.	Telephone	+91 40 4546 7777
8.	Website	www.dodladairy.com
9.	Financial year for which reporting is being done	Financial Year 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11.	Paid-up Capital	Rs. 59,49,27,350
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Surya Prakash Mungelkar Company Secretary and Compliance Officer Tel: +91 40 4546 7777 cs@dodladairy.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on Standalone basis.

II. Product & Services

14. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Manufacture of dairy products, Wholesale of raw milk & dairy products	Milk and Milk Products	100

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Milk & Milk Products	1050 & 46302 (NIC 2008)	100

III. Operations

16. Number of locations where plants an/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	14	1	15
International	2	8	10

17. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No of States)	9 states i.e, Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Maharashtra, Madya Pradesh, Odisha, Pondicherry and Kerala
International (No of Countries)	3 Countries i.e, Singapore, Kenya, and Uganda

b. What is the contribution of exports as a percentage of the total turnover of the entity ?

Nil

c. A brief on types of customers

Agents, Distributors, Dodla Retail Parlors, super stockiest, Institutions, Modern Trade, HoReCa and Retailers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. ©	% (C/A)
Employees						
1	Permanent (D)	520	502	96.54	18	3.46
2	Other than Permanent (E)	561	553	98.58	8	1.42
3	Total Employees (D+E)	**1081**	**1055**	**97.60**	**26**	**2.40**
Workers						
4	Permanent (F)	1819	1804	99.18	15	0.82
5	Other than Permanent (G)	2500	1750	70.00	750	30.00
6	Total (F+G)	**4319**	**3554**	**82.29**	**765**	**17.71**

b Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. ©	% (C/A)
Differently Abled Employees						
1	Permanent (D)	5	5	100.00	0	0.00
2	Other than Permanent (E)	0	0	0.00	0	0.00
3	Total Employees (D+E)	**5**	**5**	**100.00**	**0**	**0.00**
Differently Abled Workers						
4	Permanent (F)	0	0	0.00	0	0.00
5	Other than Permanent (G)	18	18	100.00	0	0.00
6	Total (F+G)	**18**	**18**	**100.00**	**0**	**0.00**

19 Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of Directors	8	1	12.50
Key Management Personnel	5*	0	0.00

* Includes MD and WTD

20. Turnover rate for permanent employees and workers.

	Turnover Rate - FY2023			Turnover Rate – FY2022			Turnover Rate – FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29.76	30.00	29.76	20.95	43.75	21.31	24.69	35.90	24.92
Permanent Workers	21.67	30.77	21.74	18.97	40.00	19.08	23.10	120.83	24.60

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1	Orgafeed Private Limited	Wholly -owned Subsidiary Company	100 %	No
2	Dodla Holdings Pte. Limited	Wholly -owned Subsidiary Company	100 %	No
3	Country Delight Dairy Limited	Wholly -owned Subsidiary Company	100 %	No
4	Dodla Dairy Kenya Limited	Step down Subsidiary Company	Nil	No

S No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
5	Lakeside Dairy Limited	Step down Subsidiary Company	Nil	No
6	Global Vetmed Concepts India Private Limited	Associate Company	47.88	No

22. CSR Details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.) : 25,841.24 million

(iii) Net worth (in Rs.) : 8,831.34 million

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No If yes link	FY2023			FY2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (Other than Shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	5	Nil	Nil	5	Nil	Nil
Employees & Workers	Yes	3	Nil	All are minor complaints and disposed instantaneously	5	Nil	All are minor complaints and disposed instantaneously
Customers	Yes	56	Nil	All complaints are related sensory and handling practices at market level	69	Nil	All complaints are related sensory and handling practices at market level
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (Please specify)	NA	Nil	Nil	Nil	Nil	Nil	Nil

Note: Policy weblink: www.dodladairy.com

24. Overview of the entity's material responsible business conduct issues

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

SL No	Material Issue Identified	Risk / Opportunity	Rational for identifying risk or opportunity	In case of risk approach to adapt or mitigate	Financial implication of risk or opportunity
1	Conservation –water, energy and waste recycling	Opportunity	Responsible use of resources that includes water conservation efforts, improving energy efficiency, reducing emissions, efficient waste disposal approaches , designing innovative solutions to reduce, reuse and recycle, supports the Company's actions towards sustainable growth.	-	Positive, Conservation of resources leads to - Positive economic benefit as it brings cost saving. - Re cycling of water is done, even though the company is incurring more cost for treatment of water for re use
2	Renewable energy	Opportunity	Reduction of pollution and protection of the environment.	Your Company is installing Solar panels and Boilers.	Initially because of capex, this will not have positive impact immediately, but in medium to long term it will be encouraging. Through effluent treatment gas production is done which is used for cooking in cafeteria of plants.
3	Learning and development	Opportunity	Training is one of the key factors in equipping employees to contribute sustainably.		Positive, Consistent efforts towards training in the areas of Quality and Environment, health and safety (EHS) equip the work force to meet a surge in demand of the business.

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.dodladairy.com/codes_and_polices								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Two plants are certified with FSSC 22000 V5.1 standard (Gundrampally & Chendurthi) and 11 plants are certified with ISO 22000:2018 standard. Two plants are certified ISO 50001:2011 standard (Nellore and Palamaner).								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Y	Y	Y	Y	Y	Y	Y	Y	Y
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): Yes									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	At the highest level, the Board of Directors of your Company, led by the Managing Director, has the primary role to protect and assess the Business Responsibility (BR) performance of your Company.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	Yes, the Board of Directors oversee the sustainability initiatives of your Company.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	All principles	100
Key Managerial Personnel	1	All principles	100
Employees other than BOD and KMPs	246	All principles *	100
Workers	10	All principles *	100

* Food safety, employee discipline, EHS and various polices/ SOPs.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Amount (In Rs.)	Brief of the Case	Has an appeal been preferred ? (Yes/No
Penalty/Fine	N.A	N.A	N.A	N.A	No
Settlement	N.A	N.A	N.A	N.A	No
Compounding Fee	N.A	N.A	N.A	N.A	No

B. Non-Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred ? Yes/No
Imprisonment	N.A	N.A	N.A	No
Punishment	N.A	N.A	N.A	No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/ judicial institutions
N.A	N.A

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, details in brief and if available, a web-link to the policy.

   Yes. The Company has policy on Anti-Bribery and Anti-Corruption covers the Company and its subsidiaries. The web-link of policy is: https://www.dodladairy.com/static/investors/code-of-policy/Anti-Bribery-Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2023	FY2022
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6 Details of complaints with regard to conflict of interest

Particulars	FY2023		FY2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. **Nil**

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered under the awareness programmes
Nil	Nil	Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, details of the same.

   Yes, Your Company has adopted the 'Code of Business Conduct' ("the Code"). The Code is available on the website of the Company at https://www.dodladairy.com/static/investors/code-of-policy/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20SMP.pdf.

   The Code requires the directors, key managerial personnel, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. Further, the Board of Directors sign-off on the Code of Business Conduct on an annual basis.

   The directors, key managerial personnel and other senior management of the Company are required to disclose Form MBP-1 to the Board of Directors, on an annual basis, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

   If any Director is interested in the item of the agenda at the time of meetings, he/she will vacate the Board to avoid conflict of interests.

Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D	5.00 %	2.00 %	Bag filters, MDC, Cyclones enclosed to Boilers for the zero or relatively less emissions. ETP discharges treated and ensured eco-friendly environment.
Capex	15.93 %	Nil	Invested towards environment sustainability (energy conservation and fuel)

2. **Sustainable Sourcing**

a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Dodla has procedures in place for sustainable sourcing.

b. If yes, what percentage of inputs were sourced sustainably?

Yes. Solar panels are Installed at Gundrampally, Vedasandur and Batlagundu in this year. 60-70% of the power requirements catering through renewable energy in these plants.

3. **Processes in place to reclaim products for reuse, recycle, and safe disposal of products at the end of life for**

a. Plastics (Including Packaging)
b. E-Waste
c. Hazardous waste
d. other waste

Scrap disposals being taking place through authorized scrap sellers in turn they are recycling and disposing for the plastics, e-waste, hazardous waste, and other waste.

4. **Extended Producer Responsibility (EPR)**

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

Yes, Waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution control Board (PCB)

Leadership Indicators

1. **Life Cycle Assessment**

Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, details in the following format.

NIC Code	Name of Product / Service	% of total turnover contributed	The boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by an independent external agency	Results communicated in public domain (Yes/No) If yes the link
N.A	N.A	N.A	N.A	N.A	Nil

2. **If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of the product /Service	Description of the risk/concern	Action Taken
N.A	N.A	N.A

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material	
	FY23	FY22
Recycling of Used Material	70%	60%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Category	FY23			FY22		
	Re-used	Re-Cycles	Safely Disposed	Re-used	Re-Cycles	Safely Disposed
Plastics (including packaging)	0	400 MT	179.349 MT	0	300 MT	150.789 MT
E-waste	0	540 Kg	0	0	320 Kg	0
Hazardous waste	0		200 L	0		150 L
Other waste	0	400 MT	179.349 MT	0	300 MT	150.789 MT

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

Principle 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.

1.

a. Details of measures for the well-being of employees

Category	Total A	% of employees covered by									
		Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	502	502	100	502	100	0	0	0	0	0	0
Female	18	18	100	18	100	18	100	0	0	18	100
Total	**520**	**520**	**100**	**520**	**100**	**18**	**3.46**	**0**	**0**	**18**	**3.46**
Other than permanent employees											
Male	553	553	100	553	100	0	0	0	0	0	0
Female	8	8	100	8	100	8	100	0	0	8	100
Total	**561**	**561**	**100**	**561**	**100**	**8**	**1.42**	**0**	**0**	**8**	**1.42**

b. Details of measures for the well-being of Workers

Category	Total A	% of workers covered by									
		Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent workers											
Male	1804	1804	100	1804	100	0	0	0	0	0	0
Female	15	15	100	15	100	15	100	0	0	15	100
Total	**1819**	**1819**	**100**	**1819**	**100**	**15**	**0.82**	**0**	**0**	**15**	**0.82**
Other than permanent workers											
Male	1750	0	0	1750	100	0	0	0	0	0	0
Female	750	0	0	750	100	750	100	0	0	750	100
Total	**2500**	**0**	**0**	**2500**	**100**	**750**	**30**	**0**	**0**	**750**	**30**

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2023			FY 2022		
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	NA	100	100	NA
ESI	100	100	Yes	100	100	Yes
Others – specify	-	-	Gratuity premium is deposited with LIC on Yearly basis	-	-	Gratuity premium is deposited with LIC on Yearly basis

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, your Company's premises/offices are accessible to people with disabilities, as per the requirements of the Rights of Persons with Disabilities Act, 2016

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, a web-link to the policy.

Yes, your Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The weblink of the 'Equal Opportunity Policy' is available at https://www.dodladairy.com/static/investors/code-of-policy/Equal-Opportunity-Policy.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave**.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	100	NA	Nil	Nil
Total	Nil	Nil	Nil	Nil

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than permanent Employees	Yes

Your Company's Grievance Redressal Procedure is available to employees and workers. Your Company is committed to a strong compliance culture, as reflected in the Dodla Corporate Business Principles. It is ensured that your Company is managed in line with principles, policies adopted and through internal reporting. Employees, suppliers, and stakeholders are encouraged to report practices or actions believed to be inappropriate or illegal, and all complaints are investigated with impartiality, prohibiting retaliation. Breaches are immediately stopped, and appropriate response measures implemented. Your Company sensitizes all the employees and expects them to be aware of non-compliant or illegal activities occurring in their work environment, especially those related to Dodla Code of Business Conduct.

Your company covers all employees, permanent as well as other stakeholders. It covers the suppliers, vendors and other external stakeholders. Grievance Redressal protocol is established to investigate such matters and submit the report including appropriately responding to the complainant. Issues can also be brought to HR/reporting manager and are taken up accordingly. Any complaint regarding sexual harassment is covered under the PoSH Act 2013 and the internal policy in adherence to that.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY2023			FY2022		
	Total employees / workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A
Total Permanent Employees						
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total Permanent Workers						
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil

8. **Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation**

Category	FY2023					FY2022				
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		NO. B	% (B/A)	No.C	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	1570	1194	76.05	376	23.96	1613	316	19.6	1297	80.4
Female	41	41	100.00	0	0	18	18	100	0	0
Total	**1611**	**1235**	**76.66**	**376**	**23.34**	**1631**	**334**	**20.5**	**1297**	**79.52**
Workers										
Male	246	246	100.00	0	0	110	110	100	0	0
Female	103	103	100.00	0	0	66	66	100	0	0
Total	**349**	**349**	**100.00**	**0**	**0**	**176**	**176**	**100**	**0**	**0**

9. **Details of performance and career development reviews of employees and workers:**

Category	FY2023			FY2022		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	1202	1202	100.00	1160	1160	100.00
Female	20	20	100.00	11	11	100.00
Total	**1222**	**1222**	**100.00**	**1171**	**1171**	**100.00**
Workers						
Male	1405	1405	100.00	1271	1271	100.00
Female	13	13	100.00	10	10	100.00
Total	**1418**	**1418**	**100.00**	**1281**	**1281**	**100.00**

10. **Health and safety management system**

a. Whether an occupational health and safety management system has been implemented by the entity? *(Yes/ No).* If yes, the coverage such system?

Yes, the company has ESMS & EHS Policies.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We are maintaining incidents tracker for unsafe acts and conditions through which we are identifying the risks on a monthly basis.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, they can elevate their risk related issues with the chairman of the safety committee on a quarterly basis.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? *(Yes/ No)*

Yes. The employees and workers have access to non-occupational medical & health care services.

11. Details of safety related incidents

Safety Incident / Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	0.143	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	3	Nil
	Workers	2	Nil
No of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Measures taken by the entity to ensure a safe and healthy work place.

We are creating awareness on EHS aspects. Conducting mock drills to create awareness on emergencies. Conducting Risk assessment and safety Audits by competent persons and guiding the employees and workers to adhere to the safety norms.

13. Number of complaints made by employees and workers

	FY2023			FY2022		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year

	% of plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Prevention of safety-related incidents is one of our highest priorities. We have an extensive safety programme, which includes formal training for all employees, preventive measures such as pre-job safety analyses and a system aimed at identifying risks, taking corrective actions and preventing incidents. We regularly conduct internal audits of this safety system. Our management team has implemented a structured process for handling, monitoring, documenting and learning from near-miss accidents. We have taken stringent measures to reduce the number of recordable incidents Company wide and the monetary incentives of most employees are linked to fulfilling the Company's safety targets.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   Yes, your Company have a grade point average (GPA) & Employees Deposit Linked Scheme (EDLI) which is extended to all Employees.

2. Measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   We have established a close monitoring mechanism which consists of trackers to ensure payment of all statutory dues to the concern.

3. Number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total Number of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023	FY2022	FY2023	FY2022
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   YES, but not for all the occasions, wherever it is possible we are providing alternative income sources through our business channels.

5. Details of Assessment of value chain partners

Particulars	% of value chain partners (by the value of business done with such partners) that were assessed
Health & safety practices	Currently we have not taken assessment for value chain partners. However, we have provided stay & food facilities for truck drivers at our major plants and we are giving insurance facilities for our VLCP channel partners.
Working conditions	Nil

6. Details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   Not Applicable

Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Process for identification of key stakeholders

We consider individuals, groups, institutions or entities that contribute to shaping our business that add value or constitute a core part of the business value chain as key stakeholders. Our stakeholders are both internal and external and direct as well as indirect. Our key stakeholders include Consumers, Farmers, Distributors & trade partners, Suppliers, employees, investors, government bodies and the community.

2. Key stakeholder groups

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	No	Websites, Advertisements, Pamphlets	As and when required	Your Company engages with consumers for awareness about the products, recipes and nutrition information, ingredients and any other information relevant for consumers.
Farmers	No	Email, SMS, Meetings	As and when required	Your Company engages with dairy farmers, and other farmers who form a part of the value chain directly or indirectly for training/ awareness on good farming practices, helping them to grow high genetics, providing high-quality feed, and develop resilient, sustainable farms.
Distributors & trade partners, Suppliers	No	Physical and virtual meetings, supplier forums, partner events, calls, e-mail, SMS and website.	As and when required	Your Company engages and receives cooperation and unstinted support from the distributors, retailers, stockist, suppliers and others associated with the Company as its trading partners.
Employees	No	We use digital as well as physical channels of communication including but not limited to e-mails, leadership touchpoints and appraisal and training programmes for personal and professional growth.	Daily	Through physical and digital channels of communication, we aim to provide our employees an empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Our ongoing effort is to maintain two-way engagement with colleagues globally including those in corporate officer, manufacturing locations and in the field.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	We interact with our shareholders, potential investors and research analysts through investor meetings/ calls, conferences, earnings call, investor events, e-mail, press releases, stock exchange intimations, investor presentations and annual reports.	Quarterly and need based	We engage with them so that they can take an informed decision to invest in our Company. The key areas of engagement includes an update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks.
Government bodies	No	Our interactions with authorities take place through e-mails, meetings, submissions, etc. as required.	As and when required	Your Company engages with Government and Food Authorities to establish science based regulations for protecting the health of consumers and development of other best practices in areas of dairy processing.
community	No	Email, SMS Meetings and visits	As and when required	With giving back to society as a core tenet of the Company, our corporate social responsibility and management of the company targeted the areas of health care including preventive health, education, and Rural Development activities and we spent on the above activities .

Leadership Indicators:

1. Processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   Consultation with the respective functional heads of the company. Feedback from such consultations is shared with the Board during the quarterly Board meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   The Company has different stakeholders at different level, the concerned department takes the feedback and implement the changes. The Consultation also leads to changes in the policies of company.

3. Details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   The Company endeavor to bring meaningful difference in the lives of its associated stakeholders in thrust areas like healthcare, education, rural development and eradicating hunger, poverty and malnutrition. Several initiatives towards healthcare, education, providing food, integrated rural development, creation of sustainable livelihoods, etc. have been taken under Corporate Social Responsibility activities of the Company.

Principle 5. Businesses should respect and promote human rights

Essential Indicators

1. Training on human rights issues and policies

Category	FY2023			FY2022		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	1611	1611	100	1631	1631	100
Other than Permanent	0	0	0	0	0	0
Total Employees	**1611**	**1611**	**100**	**1631**	**1631**	**100**
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	349	349	100	176	176	100
Total Workers	**349**	**349**	**100**	**176**	**176**	**100**

2.Details of minimum wages paid to employees and workers, in the following format

Category	FY2023					FY2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No.(B)	%(B/A)	No.(C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent										
Male	502	0	0	502	100	608	0	0	608	100
Female	18	0	0	18	100	9	0	0	9	100
Other than Permanent										
Male	553	0	0	553	100	433	0	0	433	100
Female	8	0	0	8	100	9	0	0	9	100
Workers										
Permanent										
Male	1804	0	0	1804	100	1595	0	0	1595	100
Female	15	0	0	15	100	12	0	0	12	100
Other than Permanent										
Male	1750	1750	100	0	0	1892	1892	100	0	0
Female	750	750	100	0	0	653	653	100	0	0

3. Details of remuneration/ salary/ wages (including differently abled)

Category	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors	7*	4,58,63,854/-	1	Nil
Key Managerial Personal	5**	8,31,72,845/-	0	Nil
Employees other than BoD and KMP	1331	Rs. 3,01,400/-	31	Rs. 1,99,580/-
Workers	2120	Rs. 1,66,685/-	18	Rs. 1,57,501/-

* During the period we paid remuneration to MD and WTD

** Including MD and WTD

4. Focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

It is covered under the Grievance redressal policy and committee are constituted at all locations.

6. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

Category	FY2023			FY2022		
	Filed during the day	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human right related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Awareness and trainings are given on the policies and a detailed complaint mechanism exists in the company.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments of the year

Category	% of plants and offices that were assesses by the entity or by the statutory authorities or third parties
Child Labour	100 %
Forced/Involuntary Labour	100 %
Sexual harassment	100 %
Discrimination at workplace	100 %
Wages	100 %
Others – please specify	100 %

10. Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

   Not Applicable

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   We have conducted a survey on employee engagement covering few questions relating to human rights and received 85% satisfaction.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes

4. Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced labour/Involuntary Labour wages	Nil
Others – please specify	Nil

5. Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Nil

Principle 6. Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY23	FY22
Total electricity consumption (A)	3,47,81,386 Units	3,26,91,170 Units
Total fuel consumption (B)	14,85,067 Units	14,43,991 Units
Energy consumption through other sources (C)	36,72,764 Units	22,73,848 Units
Total energy consumption (A+B+C)	3,99,39,218 Units	3,64,09,009 Units
Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees)*	0.0015	0.0017
Energy intensity *(optional)* – the relevant metric may be selected by the entity	-	-

Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

During the period we did not take any independent assessment/ evaluation/assurance from an external agency.

2. Sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

NA

3. Details of the following disclosures related to water

Parameter	FY23	FY22
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	856068.829 kilo liters	573794.933 kilo liters
(iii) Third party water	27612.500 kilo liters	22899 kilo liters
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	883681.329 kilo liters	596693.933 kilo liters
Total volume of water consumption (in kilolitres)	883681.329 kilo liters	596693.933 kilo liters
Water intensity per rupee of turnover (Water consumed / turnover)	0.0339	0.0280
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency

4. **Mechanism for Zero Liquid Discharge? If yes, details of its coverage and implementation.**

All plants we are operating Effluent Treatment Plants. After thorough treatment we use the treated water for cleaning of crates, toilet flushing, floor cleaning, gardening and agriculture purposes.

5. Details of air emissions (other than GHG emissions) by the entity

Parameter	Please specify unit	FY23	FY22
NOx	NA	NA	NA
Sox	NA	NA	NA
Particulate Mater	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	-	--	-

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	39203.110 MT	36379.933 MT
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency

7. Project related to reducing Green House Gas emission? If yes, details.

Conservation and optimal utilization of green-house gas emissions in all the areas of operations, including those for energy generation and effective usage of sources/ equipment used for generation, there are continuous efforts to improve operational efficiencies, minimizing consumption of natural resources and reducing energy & CO_2 emissions while maximizing production volumes.

8. Details of waste generated, re-cycled re-used and disposed off

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	179.349 MT	150.789 MT
E-waste (B)	0.540 MT	0.320 MT
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste (G)	NA	NA
Other Non-hazardous waste generated (H) (Break-up by composition i.e by materials relevant to the sector	NA	NA
Total (A+B+C+D+E+F+Gg+H)	**179.889 MT**	**151.109**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i.Re-cycled	0.540 MT	0.320 MT
ii.Re-used	Nil	Nil
iii.Other recovery operations	Nil	Nil
Total	0.540 MT	0.320 MT
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i.Incineration	Nil	Nil
ii.Landfilling	Nil	Nil
iii.Other disposal operations	Nil	Nil
Total	Nil	Nil

Note: Plastic waste and e-waste is re cycled

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency

Rapidue Technologies Pvt Ltd

9. Details of waste management practices, strategy adopted by the company to reduce usage of hazardous and toxic chemicals in our products and processes and the practices adopted to manage such wastes

NA

10. Operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA		

11. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
NA					

12. Compliance with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, All plants have PCB approvals for both water and air as per the concerned state government regulations.

If not, details of all such non-compliances, in the following format

SL No	Law / regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA				

Leadership Indicators:

1. Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

Parameter	FY23	FY22
From Renewable Sources		
Total Electricity Consumption (A)	Nil	Nil
Total Fuel Consumption (B)	Nil	Nil
Energy Consumption other sources (C)	36,72,764	22,73,848
Total energy consumed from renewable sources (A+B+C)	**36,72,764**	**22,73,848**
From Non-Renewable Sources		
Total Electricity Consumption (A)	3,47,81,386	3,26,91,170
Total Fuel Consumption (B)	14,85,067	14,43,991
Energy Consumption other sources (C)	Nil	Nil
Total energy consumed from non- renewable sources (A+B+C)	**3,62,66,453**	**3,41,35,161**

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency

2. **Break-up details related to water discharged**

Parameter	FY23	FY22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	5,22,276 KL (ETP)	4,68,996 KL (ETP)
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**5,22,276 KL**	**4,68,996 KL**

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): **Not Applicable**

For each facility / plant located in areas of water stress, information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-

Parameter	FY23	FY22
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover *(Water consumed / turnover)*	-	-
Water intensity *(optional)* – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – specify level of treatment	-	-
(iv) Sent to third-parties	-	-

4. Details of total Scope 3 emissions & its intensity

Parameter	Unit	FY23	FY22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	NA	NA
Total Scope 3 emissions per rupee of turnover	-	NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	NA	NA

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency

5. Ecologically sensitive areas reported at Question 10 of Essential Indicators above, details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA

6. Specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, details of the same as well as outcome of such initiatives.

Sl No.	Initiative undertaken	Details of the initiative *(Web-link, if any, along-with summary)*	Outcome of the initiative
1	All plants we are operating Effluent Treatment Plants (ETP).	We use the treated water for cleaning crates, toilet flushing, floor cleaning, gardening and agriculture purposes.	We saved 5,22,276 KL of water during the period.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   Not Applicable

8. Any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   NA

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   We ensure that all vehicles used in the transportation of milk and milk products comply with the emission norms of concerned state.

Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations.

The Company has four associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/ associations	The reach of trade and industry chambers/ associations (State/National)
1	Federation of Telangana Chamber of Commerce and Industry (FTCCI)	Telangana State, India
2	Indian Dairy Association	Telangana State, India
3	Confederation of Indian Industry (CII)	Telangana State, India
4	The Employers' Federation of Southern India (EFSI)	Telangana State, India

2. Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.

Name of authority	Brief of the case	Corrective actions taken
	Not Applicable	

Your Company has not engaged in any anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

SL No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (annually/ half yearly / Quarterly / Others – Please specify	Weblink if available
			Nil		

Principle 8. Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink
Nil					

2. Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY23
Nil						

3. Mechanisms to receive and redress grievances of the community

   The Board of Directors of the Company had adopted the Whistle Blower Policy. A mechanism has been established for all stakeholders including Directors, employees, vendors and suppliers to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No personnel have been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company: https://www.dodladairy.com/investors_information

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY23	FY22
Directly sourced from MSMEs/small producers	10	8
Sourced directly from within the district and neighbouring districts	60	50

Leaders Indicators

1. Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of essential indicators above)

Details of negative social impact identified	Corrective action taken
Nil	

2. CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies

SL No.	State	Aspirational District	Amount Spent (In Rs)
1	Andhra Pradesh	Nellore	The total amount spent is part of the Annual Action Plan for the year and the breakup is provided in the Annual Report on CSR activities of the Company provided under Annexure-V of the Annual Report.
2	Telangana State	Hyderabad, Mahbubnagar	
3	Tamil Nadu	Dharmapuri, Dindigul	

3. a. Preferencial procurement policy with preference to purchase from suppliers comprises marginalised / vulnerable groups (Yes/No) : No

   b. From which marginalized /vulnerable procured : NA

   c. Percentage of total procurement (by value) : NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year) based on traditional knowledge.

Sl No.	Intellectual property based on traditional knowledge	Owned /acquired (Yes/No)	Benefit shared (Yes/ No)	Basis of calculating benefit share
		Nil		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the case	Corrective action taken
	Nil	

6. Details of the beneficiaries of CSR projects

Sl NO.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Education	380	100
2	Health	2,000	100
3	Eradicating hunger, poverty and malnutrition	100	100

Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback

   There is a SOP to handle consumer complaints and feedback. Consumers have option to give their complaint either through customer care toll free number or through email id. The complaints received would be addressed within 3 days.

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	40%

3. Number of consumer complaints in respect of the following

Particulars	FY2023			FY2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, web-link of the policy.

   No. As such there is no special policy on cyber security yet. However, we are practising ISO 27001:2013 standard framework and guidelines for the past couple of years to safeguard our business IT environment from cyber threats and to handle risks related to information security.

6. Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   No complaints received on the above.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (web link, if available).

   The information is available on company website (www.dodladairy.com)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Usage declarations displayed on the product label.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Best before / use by date displayed on product label.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, details in brief. Did the entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Only the mandated information as per local laws and usage directions to the consumers will only be displayed on the label.

5. Information relating to data breaches:

   a. Number of instances of data breaches along-with impact : Nil

   b. Percentage of data breaches involving personally identifiable information of customers: Nil

Annexure - X
Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Dodla Dairy Limited ("DDL"/ "the Company") implemented sound corporate governance practices with a view to ensure transparency and efficiency in its day to day operations, it's a stakeholder driven organization and ensuring maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Transparent business practices.
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of Promoter, Executive and Independent Directors on the Board.

The Corporate Governance framework of your Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management team and constitution of the Board Committees, as required under applicable laws.

Your Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws.

The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, farmers, dealers , distributors, agents. The Company is conscious of the fact that the success of an organization is reflection of its professionalism to its code of conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

Your Company presents this report, prepared in terms of the SEBI Listing Regulations (including the amendments to the extent applicable), enumerating the current Corporate Governance systems and processes at the Company.

2. Board of Directors:

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at 31 March 2023, the Board of Directors ("Board") comprised of Eight Directors, of which Six are Non- Executive Directors. The Company has a Non-Executive Chairman and Four Independent Directors. Independent Directors comprise half of the total strength of the Board.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board.

The Board has an unfettered and complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

a) The composition and category of the Board of Directors is as follows:

The Board of the Company comprises of Eight Directors as on 31 March 2023.

None of the Director is a Director in more than 10 Public Limited Companies (as specified in Section 165 of the Act) and Director in more than 7 Listed Entities (as specified in Regulation 17A of the Listing Regulations) or acts as an Independent Director (including any alternate directorships) in more than 7 Listed Companies or 3 equity Listed Companies in case he/she serves as a Whole-time Director/ Managing Director in any Listed Company (as specified in Regulation 17A of the Listing Regulations). Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited Companies in which he/she is a Director.

Sl. No	Name of the Director	Designation	Category
1	Dodla Sesha Reddy	Chairman	Non-Executive Director (Promoter)
2	Dodla Sunil Reddy	Managing Director	Executive Director (Promoter)
3	A Madhusudhana Reddy	Whole-time Director	Executive Director
4	Akshay Tanna	Nominee Director	Non-Executive Director
5	Rampraveen Swaminathan	Independent Director	Non-Executive Director
6	Tallam Puranam Raman	Independent Director	Non-Executive Director
7	Dr.Raja Rathinam	Independent Director	Non-Executive Director
8	Vinoda Kailas	Independent Director	Non-Executive Director

b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

The details of the attendance of the Directors at the Board meetings held during the Financial Year ended 31 March 2023 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	Number of Board Meetings		Attendance at the last AGM
	Held	Attended	
Dodla Sesha Reddy	5	5	Yes
Dodla Sunil Reddy	5	5	Yes
A Madhusudhana Reddy	5	5	Yes
Akshay Tanna	5	4	No
Rampraveen Swaminathan	5	2	Yes
Tallam Puranam Raman	5	5	Yes
Dr.Raja Rathinam	5	5	Yes
Vinoda Kailas	5	5	Yes

c) Other Directorships

The number of Directorships and memberships in the Committees of other Companies held by the Directors as on 31 March 2023 are as under:

Name of the Director	No. of other Directorships*	In the Other Public Companies**	
		Membership	Chairmanship
Dodla Sesha Reddy	2	1	1
Dodla Sunil Reddy	6	-	-
A Madhusudhana Reddy	-	-	-
Akshay Tanna	7	-	-
Rampraveen Swaminathan	9	-	-
Tallam Puranam Raman	-	-	-
Dr. Raja Rathinam	-	-	-
Vinoda Kailas	-	-	-

***** Includes Directorships in the Companies incorporated under the Companies Act, 1956/2013.

****** Includes only Audit Committee and Stakeholders Relationship Committee (Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013/Section 25 of the Companies act, 1956).

Names of the Listed Companies wherein the Directors of the Company are Directors.

Name of the Director	No. of Directorships in other Listed Companies	Name of the other Listed Companies in which Directors of the Company are Directors
Dodla Sesha Reddy	1	Nelcast Limited
Dodla Sunil Reddy	Nil	NA
A Madhusudhana Reddy	Nil	NA
Akshay Tanna	Nil	NA
Rampraveen Swaminathan	1	Mahindra Logistics Limited
Tallam Puranam Raman	Nil	NA
Dr. Raja Rathinam	Nil	NA
Vinoda Kailas	Nil	NA

d) Number of Board Meetings

Five Board Meetings were held during the Financial Year ended 31 March 2023. The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are 16 May 2022, 02 August 2022, 22 October 2022, 19 November 2022 and 21 January 2023.

e) Disclosure of relationship between Directors inter-se

Dodla Sesha Reddy, Chairman and Director, is father of Dodla Sunil Reddy, Managing Director of the Company. Other than Dodla Sesha Reddy, Chairman and Director and Dodla Sunil Reddy, Managing Director, none of the Directors are related to any other Director.

f) Number of shares and convertible instruments held by non- executive directors;

The number of equity shares of the Company held by Non-Executive Directors, as on 31 March 2023 are as follows:

Name of the Director	No. of Equity Shares (face value Rs. 10 each) held in the Company
Dodla Sesha Reddy	5,56,716
Akshay Tanna	Nil
Rampraveen Swaminathan	Nil
Tallam Puranam Raman	Nil
Dr. Raja Rathinam	Nil
Vinoda Kailas	Nil

g) web link where details of familiarisation programmes imparted to independent directors is disclosed.

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

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle blower policy, Risk Management Policy, Policy on Anti-Corruption and Anti-Bribery, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility policy.

The Statutory Auditors, Internal Auditors and Senior Management of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the Financial Results.

The details of familiarization programme attended by Independent Directors is available on the website: https://www.dodladairy.com/uploads/investors/pdf/16764629932Familiarization_Programmes..pdf

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

Name of the Director	Category	Specialization
Dodla Sesha Reddy	Chairman	Has more than 24 years of experience in dairy industry.
Dodla Sunil Reddy	Managing Director	Has more than 27 years of experience in the dairy Industry.
A. Madhusudhana Reddy	Whole-time Director	Has 16 years of experience in the dairy industry.
Akshay Tanna	Nominee Director	Has 18 years of experience in Financial and Business Analysis, Project Management, Private Equity, Valuation, Corporate Finance, Investments, Mergers & Acquisitions.
Rampraveen Swaminathan	Independent Director	He has over 12 years of experience in various industries.
Tallam Puranam Raman	Independent Director	He has more than 16 years of experience in handling Asset Management Companies.
Dr.Raja Rathinam	Independent Director	He has more than 41 years of experience in the dairy industry.
Vinoda Kailas	Independent Director	She has over 16 years of experience in designing and implementing large scale IT solutions for clients in US and Europe. She has experience in global client acquisition and technology innovation.

i) Confirmation from the Board

All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

j) No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended 31 March 2023.

3. Audit Committee

a) Brief description of terms of reference:

The terms of reference of the Audit Committee are as under:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    (b) changes, if any, in accounting policies and practices and reasons for the same;
    (c) major accounting entries involving estimates based on the exercise of judgment by management;
    (d) significant adjustments made in the financial statements arising out of audit findings;
    (e) compliance with listing and other legal requirements relating to financial statements;
    (f) disclosure of any related party transactions;
    (g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a 380[public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;

11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Examination of the financial statement and the auditors' report thereon;
24. Monitoring the end use of funds raised through public offers and related matters;
25. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
26. The Audit Committee shall have authority to investigate into any matter or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
27. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote;
28. Review of Management discussion and analysis of financial condition and results of operations;
29. Review of statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
30. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;
31. Review of internal audit reports relating to internal control weaknesses;
32. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and

33. Review of statement of deviations:

   a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

b) composition, name of members and chairperson;

The Audit Committee of the Company comprises of 3 Independent Directors and 1 Executive Director with Tallam Puranam Raman, Independent Director as its Chairperson.

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

c) meetings and attendance during the year.

Four Audit Committee Meetings were held during the Financial Year ended 31 March 2023. The maximum time gap between any two meetings was not more than one hundred and twenty days.

The dates on which the Audit Committee Meetings were held are16 May 2022, 02 August 2022, 22 October 2022 and 21 January 2023.

Attendance at the Audit Committee Meetings

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

4. Nomination, Remuneration and Compensation Committee

a) Brief description of terms of reference

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. recommend to the board, all remuneration, in whatever form, payable to senior management.

b) composition, name of members and chairperson;

The Nomination, Remuneration and Compensation Committee comprised of 2 Independent Directors and 1 Non-Executive Directors with Rampraveen Swaminathan, Independent Director as its Chairperson.

Composition of the Nomination, Remuneration and Compensation Committee

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

c) meeting and attendance during the year;

During the period Nomination, Remuneration and Compensation Committee Meeting was held on 16 May 2022 and 21 January 2023.

Attendance at the Nomination, Remuneration and Compensation Committee Meetings

Name of the Director	Number of Nomination, Remuneration and Compensation Committee Meetings	
	Held	Attended
Rampraveen Swaminathan	2	2
Raman Tallam Puranam	2	2
Dodla Sesha Reddy	2	2

d) Nomination and Remuneration policy

The compensation of the Executive Directors comprises of a fixed component. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Committee.

The Non-Executive Directors are paid Sitting Fees and Commission for attending meetings of the Board/ Committees.

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

(a) Qualifications: Professional qualifications;

(b) Experience: Experience relevant to the entity;

(c) Knowledge and Competency:

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

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

(d) Fulfillment of functions: Whether the person understands and fulfills the functions assigned to him/her by the Board and the law;

(e) Ability to function as a team: Whether the person is able to function as an effective team- member;

(f) Initiative: Whether the person actively takes initiative with respect to various areas;

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

(h) Commitment: Whether the person is adequately committed to the Board and the entity;

(i) Contribution: Whether the person contributed effectively to the entity and in the Board meetings;

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

(k) Independence: Whether person is independent from the entity and the Management and there is no conflict of interest; and

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

f) Terms of Appointment of Independent Directors:

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

a. Performance evaluation of Directors

Pursuant to applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination, Remuneration and Compensation Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non- Executive Directors and Chairperson of the Board.

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

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

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017, the Company has adopted the recommended criteria by SEBI.

The Directors were given 6 Forms for evaluation of the following:

(i) Evaluation of Board;

(ii) Evaluation of Committees of the Board;

(iii) Evaluation of Independent Directors;

(iv) Evaluation of Chairperson;

(v) Evaluation of Non-Executive and Non-Independent Directors; and

(vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

5 Outstanding

4 Surpasses Expectations

3 Meets Expectations

2 Needs Improvement

1 Below Expectations

The Chairperson informed that based on the Evaluation done by the Directors, the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

5. Stakeholders' relationship committee

a) Composition

The Committee consists of the following Directors:

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

During the period the Stakeholders Relationship Committee met 1 (One) times on 21 January 2023 and except Akshay Tanna all the members were presented.

b) Terms of Reference

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

c) name and designation of compliance officer: Surya Prakash M, Company Secretary and Compliance officer

d) number of shareholders' complaints received during the financial year; During the year ended 31 March 2023, the Company has received 5 and resolved 5 complaints.

e) number of complaints not solved to the satisfaction of shareholders; Nil

f) number of pending complaints : Nil

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

5A. Risk management committee:

a) Brief Discerption of terms of reference:

The role of the committee shall, inter alia, include the following:

1. To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

b) Composition

The Risk Management Committee comprised of 3 Directors with Dr. Raja Rathinam, Non-Executive Independent Director as its Chairman.

Composition of the Risk Management Committee:

Name of the Director	Position on the Committee
Dr. Raja Rathinam	Chairman
Akshay Tanna	Member
Madhusudhana Reddy Ambavaram	Member

c) Risk Management Committee meetings

During the Financial Year, Risk Management Committee Meeting was held on 02 August 2022 and 21 January 2023.

Attendance at the Risk Management Committee Meeting:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Dr. Raja Rathinam	Chairman	2	2
Akshay Tanna	Member	2	1
Madhusudhana Reddy Ambavaram	Member	2	2

The policy on Risk Management is available on the Company's website, the web link for the same is https://www.dodladairy.com/static/investors/code-of-policy/Risk-Management-Policy.pdf

6. Meeting of Independent Directors

A separate meeting of the Independent Directors was held on 09 March 2023 under the Chairmanship of Mr. Raman Tallam Puranam, Independent Director, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, Managing Director, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and have been implemented.

7. Lead Independent Director

The Independent directors has elected Mr. Raman Tallam Puranam, Chairperson of the Independent Directors Meeting, as the Lead Independent Director. The role of the lead Independent Director is to provide leadership to the Independent Directors, liaise on behalf of the Independent Directors and ensure the Board's effectiveness to maintain high-quality governance of the organization and the effective functioning of the Board.

8. Succession planning

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

9. Remuneration of directors:

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

ii. The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., https://www.dodladairy.com/static/investors/code-of-policy/Criteria%20for%20making%20payments%20to%20NonExecutive%20Directors.pdf

iii. Non-Executive Directors are paid Consultancy fees and Sitting Fees:

Following are the details of Sitting Fees and Commission paid to the Non-Executive Directors during the Financial Year ended 31 March 2023:

Name of the Director	Sitting Fees	Consultancy Fees
Dodla Sesha Reddy	Nil	3,900,000
Akshay Tanna	Nil	Nil
Rampraveen Swaminathan	800,000	Nil
Tallam Puranam Raman	600,000	Nil
Dr. Raja Rathinam	550,000	Nil
Vinoda Kailas	350,000	Nil

iv. The Remuneration paid to the Managing Director and Whole Time Director during the year is as follows:

Name of the Director and Designation	Salary	Benefits	Bonuses	Pension	Commission	Performance linked incentives	Performance criteria	Service Contracts	Notice	Total
Dodla Sunil Reddy - Managing Director	30,985,200	9,452,228	1,173,700	Nil	Nil	Nil	Nil	Appointed for a period of 5 years		41,611,128
A Madhusudhana Reddy - Whole-time Director	3,600,000	536,076	116,650	Nil	Nil	Nil	Nil	Appointed for a period of 5 years		4,252,726

There were no severance fees and stock option plan. The appointment of the Managing Director is for a period of 5 years and Whole Time Director is for a period of 5 years on the basis of terms and conditions laid down in the respective resolutions passed by the Board/Members in the General Meetings.

10. General Body Meetings:

a) The details of date, location and time of the last three Annual General Meetings held are as under:

Financial Year ended on 31 March	Date	Time (IST)	Venue
2021-22	30 June 2022	11:00 A.M	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular issued by Ministry of Corporate Affairs (MCA Circulars).
2020-21	23 September 2021	11:00 A.M	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with General Circular issued by Ministry of Corporate Affairs (MCA Circulars).
2019-20	30 September 2020	10:00 A.M	8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033. Telangana, India.

b) Special Resolutions passed during the previous three Annual General Meetings:

Financial Year	Date	Time (IST)	Resolutions Passed
2021-22	30 June 2022	11:00 A.M	1. To re-appointment of Mr. Ambavaram Madhusudhana Reddy (DIN: 08126380) as Whole-time Director of the Company 2. To re-appointment of Mr. Rampraveen Swaminathan (DIN: 01300682) as an Independent Director of the Company 3. To re-appointment of Mr. Tallam Puranam Raman (DIN: 00320782) as an Independent Director of the Company 4. To continuation of directorship of Mr. Tallam Puranam Raman (DIN: 00320782), Director and ratification in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 5. To continuation of directorship of Mr. Dodla Sesha Reddy (DIN: 00520448), Director and ratification in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 6. To ratification of Dodla Dairy Limited- Employee Stock Option Plan, 2018 ("ESOP 2018" or "Plan") 7. To Approval of Fee payable for copies of inspection documents
2020-21	23 September 2021	11:00 A.M	No Special Resolutions were passed
2019-20	30 September 2020	10:00 A.M	1. To re-appoint Kishore Mirchandani as an Independent director. 2. To Re-Appoint P Divya as an Independent Director. 3. To approve re-appointment and payment of Consultation fees to Dodla Sesha Reddy.

c) The Company during the financial year ended 31 March 2023 did not conduct any postal ballot and hence passing of special resolution through postal ballot does not arise.

d) No Extraordinary General Meeting was held during the financial year 2022-23.

11. Means of Communication

Website: The Company's website https://www.dodladairy.com/investors_information . contains a separate section for Investors wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases, shareholding pattern and other investors information is available in a user-friendly and downloadable form.

Financial Results: The quarterly, half-yearly and annual financial results and the official news releases of the Company of the Company are submitted to the BSE Limited and National Stock Exchange of India Limited immediately after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper (Business Line) and one Telugu newspaper (Navatelangana) within 48 hours of approval thereof and are also posted on Company's website https://www.dodladairy.com/investors_information

Annual Report: Annual Report containing inter alia Financial Statements, Directors' Report, Auditors' Report, and Corporate Governance Report is circulated to the members and others entitled thereto.

Designated Exclusive Email ID: The Company has designated E-mail Id cs@dodladairy.com exclusive for shareholder/ investor servicing.

Uploading on NEAPS & BSE Listing Centre: The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.

Investor Calls and Presentations: Investor Call and presentations are communicated to the Members and Stock Exchanges and also placed on the website of the Company https://www.dodladairy.com/investors_information on approval of quarter, half and yearly results by the Board of Directors of the Company.

12. General Shareholder information

a) Annual General Meeting: 28th Annual General Meeting

- Date: 08 July 2023
- Time: 11:00 A.M. IST
- Venue: Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Members.

b) Financial Year: 1 April 2022 to 31 March 2023.

c) Dividend Payment Date: NA

d) Listing on Stock Exchanges: Company's equity shares are listed at:

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

The listing fees for the year 2023-24 has been paid to the above stock exchanges.

e) Stock Code:

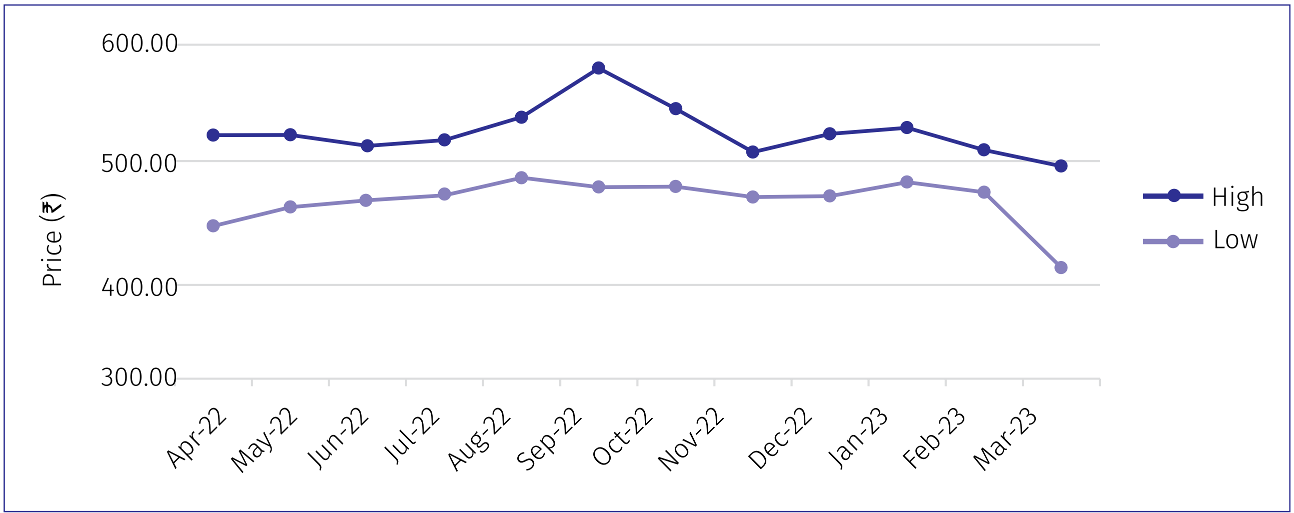
Name of the Stock Exchange	Scrip Code
BSE Limited	543306
National Stock Exchange of India Limited	DODLA

f) Market price data – high/low during each month in the past financial year:

BSE Limited (BSE)

Month	High	Low	No of equity shares traded
April 2022	523.95	450.65	61,274
May 2022	524.15	465.85	36,604
June 2022	515.25	471.45	12,905
July 2022	520.00	475.35	12,024
August 2022	538.55	489.60	41,097
September 2022	578.00	482.05	3,040,634
October 2022	545.10	482.40	769,404
November 2022	510.25	473.95	235,910
December 2022	524.95	474.80	44,049
January 2023	529.90	486.00	21,021
February 2023	512.00	477.80	16,250
March 2023	498.95	417.00	22,717

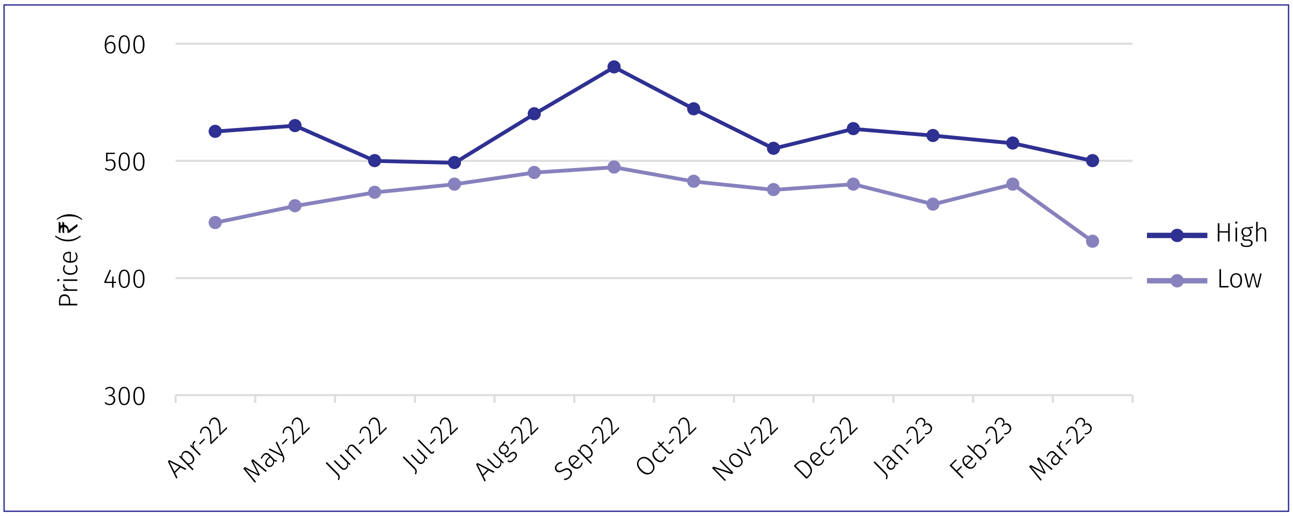
Share Price at BSE



National Stock Exchange of India Limited (NSE)

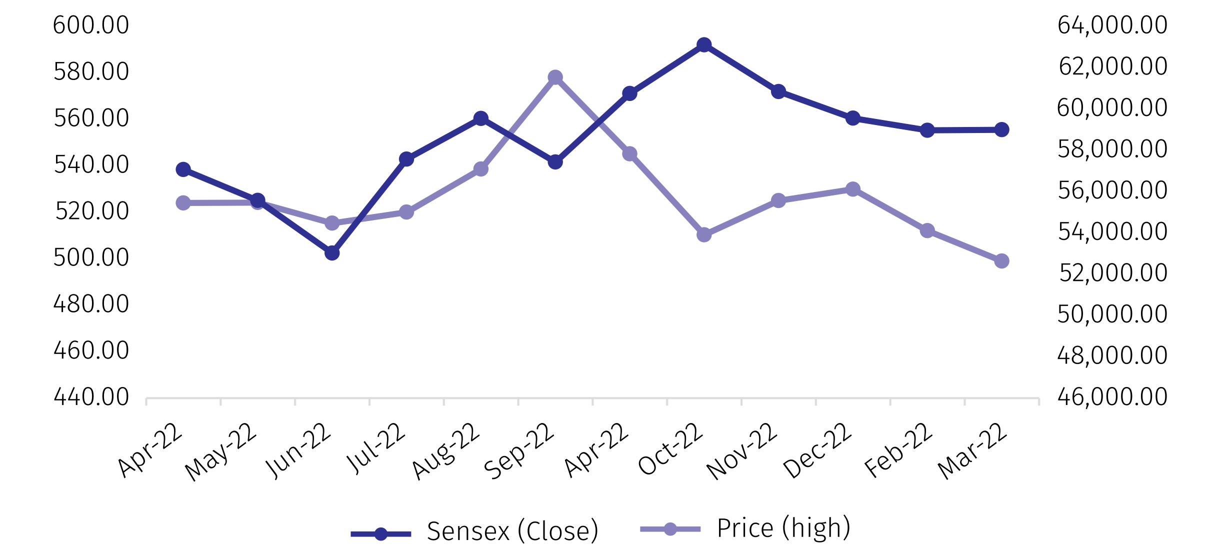
Month	High	Low	No of equity shares traded (Lakhs)
April 2022	525.00	447.25	5.96
May 2022	529.95	461.50	4.02
June 2022	500.00	473.05	1.15
July 2022	498.35	480.00	1.48
August 2022	540.00	489.95	4.72
September 2022	580.00	494.55	9.79
October 2022	544.20	482.35	8.81
November 2022	510.50	475.25	5.34
December 2022	527.30	480.00	4.62
January 2023	521.45	462.90	2.93
February 2023	515.00	480.00	1.93
March 2023	500.00	431.20	3.74

Share Price at NSE



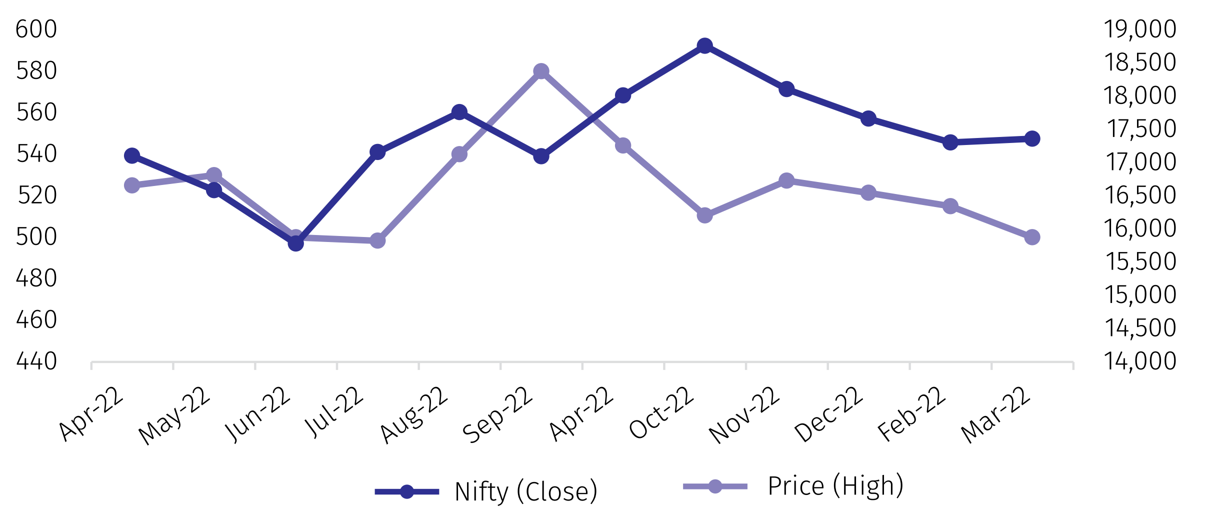
g) Performance in comparison to broad based indices of BSE Sensex:

Comparison between the Share price - High and Sensex index close price.



Performance in comparison to broad based indices of Nifty:

Comparison between the Share price- High and Nifty index close price.



h) There was no suspension of trading in the Securities of the Company during the year under review.

i) Registrars to an Issue & Share Transfer Agents:

KFin Technologies Limited
Selenium Building, Tower B, Plot No.31-32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032, Telangana State, India.
Phone: +91 40 6716 1606
Fax: +91 40 23001153
Email id: einward.ris@kfintech.com
Website: www.kfintech.com

j) Share Transfer System:

The requests received for Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are processed and dispatched to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are approved by Stakeholders' Relationship Committee and are noted at Board Meetings.

The shares of the Company can be transferred / traded only in dematerialised form. During the year, the Company obtained, on yearly basis, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, sub-division, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI(LODR) Regulations, 2015. These certificates were duly filed with the Stock Exchanges.

k) Distribution of Shareholding:

Shareholding pattern as on 31 March 2023.

SL No	Category	No of Shars Held	Percentage of Shareholding
1	PROMOTERS AND PROMOTERS GROUP INDIVIDUALS	37,008,923	62.21
2	MUTUAL FUNDS	8,467,847	14.23
3	ALTERNATIVE INVESTMENT FUND	1,087,058	1.83
4	FOREIGN PORTFOLIO - CORP	4,947,625	8.32
5	FOREIGN PORTFOLIO - CORP	31,266	0.05
6	RESIDENT INDIVIDUALS	2,821,574	4.74
7	NON RESIDENT INDIAN NON REPATRIABLE	23,014	0.04
8	NON RESIDENT INDIANS	40,571	0.07
9	FOREIGN INSTITUTIONAL INVESTORS	2,652,520	4.46
10	BODIES CORPORATES	2,350,522	3.95
11	CLEARING MEMBERS	4,399	0.01
12	H U F	56,700	0.10
13	TRUSTS	716	0.00
	Total:	**59,492,735**	**100.00**

Distribution of shareholding as on 31 March 2023

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	37,431	98.468945	1,570,542	15,705,420	2.639889
5001- 10000	288	0.757636	209,890	2,098,900	0.352799
10001- 20000	141	0.370926	200,862	2,008,620	0.337624
20001- 30000	43	0.113119	107,198	1,071,980	0.180187
30001- 40000	18	0.047352	65,353	653,530	0.109850
40001- 50000	16	0.042091	71,823	718,230	0.120726
50001- 100000	26	0.068398	200,683	2,006,830	0.337324
100001& Above	50	0.131534	57,066,384	570,663,840	95.921601
Total	**38,013**	**100.00**	**59,492,735**	**594,927,350**	**100.00**

l) Dematerialization of Shares and liquidity:

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

5,94,92,735 equity shares were dematerialised representing 100% of the total paid up equity share capital of the Company as on 31 March 2023.

ISIN: INE021O01019

m) There are no outstanding Global Depository Receipts/American Depository Receipts or Warrants or any convertible instruments as on 31 March 2023.

n) Commodity Price Risk or Foreign Exchange risk and hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

o) Plant Locations:

Plant Name	Location
Badvel	Andhra Pradesh
Palamaneru	Andhra Pradesh
Penumur	Andhra Pradesh
Nellore	Andhra Pradesh
Sattenapalle	Andhra Pradesh
Chendurthi	Andhra Pradesh
Koppal	Karnataka
Tumkur	Karnataka
Kirawatti	Karnataka
Batlagundu Taluk	Tamil Nadu
Palacode TQ	Tamil Nadu
Vedasandur Taluk	Tamil Nadu
Kurnool	Telangana
Gundarampally	Telangana

Details about plant locations: https://www.dodladairy.com/plants

p) Address for correspondence:

Company Secretary and Compliance Officer

Dodla Dairy Limited

CIN: L15209TG1995PLC020324

8-2-293/82/A, 270/Q, Road No 10-C,

Jubilee Hills, Hyderabad - 500 033

Telangana, India.

Tel: 040-4546 7777

Fax: 040-4546 7788

Email: cs@dodladairy.com (for investor grievance)

Toll Free: 1800 103 1477

Web-site: www.dodladairy.com

q) Credit Rating

Given below are the ratings given to the Company by ICRA Limited during the Financial Year ended 31 March 2023:

Facilities	Rating
Long Term Scale on Bank limits	[ICRA]AA- (Stable)
Short-Term Scale on Bank limits	[ICRA]A1+
Cash Credit / Short term Loan on Bank limits	[ICRA]AA- (Stable) / [ICRA]A1+
Instrument Rated (NCD)	[ICRA]AA- (Stable) Withdrawn

13. Other Disclosures:-

a) Related Party Transactions:

Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements. All transactions with related parties are at arms' length and in compliance with transfer pricing regulations. Consideration is paid/received through cheque/online payment.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors and are entered into on an Arms' length basis.

In terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

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

Related Party Transaction policy is placed on the Company's website at: https://www.dodladairy.com/static/investors/code-of-policy/Policy%20on%20Related%20Party%20Transactions.pdf

Material Related Party Transactions:

During the year ended 31 March 2023, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to the Annual Accounts.

b) Details of non-compliance etc:

A Statement on Compliance with all Laws and Regulations certificates from all the departments are placed at the meetings of the Board of Directors for their review.

The Company was listed on BSE & NSE on 28 June 2021, the due date for submission of results was 30 May 2021 but SEBI has extended due date for submission of results to 30 June 2021. However, the Company has Submitted results on 14 July 2021. BSE and NSE each have levied fine of ₹ 70,000/- Plus GST. The company has replied to BSE and NSE. The Company has subsequently paid the amount of fine levied by Stock Exchanges.

There were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years except as mentioned above for the FY 2021-22.

c) Details of establishment of Vigil Mechanism/ Whistle Blower Policy:

The Board of Directors of the Company had adopted the Whistle Blower Policy and appointed Vigilance and Ethics Officer.

A mechanism has been established for all stakeholders including Directors, employees, vendors and suppliers to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

The Audit Committee reviews periodically the functioning of whistle blower mechanism.

No personnel has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company: https://www.dodladairy.com/static/investors/code-of-policy/Whistle-Blower-Policy.pdf

The Vigilance and Ethics Officer had not received any complaint during the Financial Year ended 31 March 2023.

d) The policy for determining 'material' subsidiaries is available on the website of the Company https://www.dodladairy.com/static/investors/code-of-policy/Policy%20for%20Determining%20Material%20Subsidiary.pdf

e) The policy on dealing with related party transactions is available on the website of the Company:https://www.dodladairy.com/static/investors/code-of-policy/Policy%20on%20Related%20Party%20Transactions.pdf

f) Commodity price risks and commodity hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

g) Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The company has not raised funds through preferential allotment or qualified institutions placement during the financial year ended 31 March 2023.

i) A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

j) There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.

k) Total Fees paid to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

Sl No	Type of Service	Fees paid in Rs. (In Million)
a.	i) Statutory Audit fees paid for Audit of the Company	5.15
	ii) Fees paid for certification services	0.08
	iii) Reimbursement of expenses	0.12
		5.35
b.	Other Services	1.95
	Total	7.30

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Sl No	Particulars	No of Complaints
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	NA
3	Complaints pending as on end of the financial year	NA

14. The Company has complied with the requirements of Schedule V Corporate Governance Report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. Details of compliance with mandatory requirements and adoption of Discretionary Requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination, Remuneration and Compensation Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

17. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

18. CEO and CFO Certification

The CEO and the CFO has issued a Certificate to the Board as contemplated in Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

19. Disclosure with respect to Demat suspense account/ unclaimed suspense account

Unclaimed Equity shares are held in Dodla Dairy Limited Unclaimed Suspense Account maintained with Stock Holding Corporation of India Ltd, Hyderabad–500034, Telangana State, India vide DPID: IN301330 and Client ID: 40561126.

As on 31 March 2023 the company does not have any equity shares lying in the Dodla Dairy Limited Unclaimed Suspense Account.

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

During the year ended 31 March 2023, there were no proceeds from public issues, rights issues, preferential issues, etc.

21. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company: https://www.dodladairy.com/static/investors/code-of-policy/Policy%20on%20Determination%20of%20Materiality.pdf

22. The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: https://www.dodladairy.com/static/investors/code-of-policy/Policy%20On%20Preservation%20of%20Documents.pdf

23. The Company has adopted policy on Dividend Distribution. Policy on Dividend Distribution which is available on the website of the Company: https://www.dodladairy.com/static/investors/code-of-policy/Dividend%20Distribution%20Policy.pdf

On behalf of the Board of Directors
For Dodla Dairy Limited

	Dodla Sunil Reddy	**Dodla Sesha Reddy**
Place: Hyderabad	Managing Director	Director
Date: 20 May 2023	DIN: 00794889	DIN: 00520448

Code of Conduct Declaration

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31 March 2023.

On behalf of the Board of Directors
For Dodla Dairy Limited

Dodla Sunil Reddy
Managing Director
DIN: 00794889

Place: Hyderabad
Date: 20 May 2023

CEO and CFO Certificate

We hereby certify that:

a) We have reviewed Audited Financial Statements and the Cash Flow Statement for the Financial Year ended 31 March 2023 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that there are no:

   i) significant changes in internal control over financial reporting during the year;

   ii) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

On behalf of the Board of Directors
For Dodla Dairy Limited

Place: Hyderabad
Date: 20 May 2023

B. Venkat Krishna Reddy
Chief Executive Officer

Anjaneyulu Ganji
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Dodla Dairy Limited
8-2-293/82/A/270-Q,
Road No 10-C, Jubilee Hills,
Hyderabad-500033,
Telangana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DODLA DAIRY LIMITED** having CIN L15209TG1995PLC020324 and having registered office at 8-2-293/82/A/270-Q, Road No 10-C, Jubilee Hills, Hyderabad-500033, Telangana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sunil Reddy Dodla	00794889	15/05/1995
2.	Sesha Reddy Dodla	00520448	15/05/1995
3.	Akshay Tanna	02967021	21/07/2017
4.	Ambavaram Madhusudhana Reddy	08126380	03/05/2018
5.	Tallam Puranam Raman	00320782	13/07/2018
6.	Rampraveen Swaminathan	01300682	13/07/2018
7.	Raja Rathinam	09045647	01/02/2021
8.	Vinoda Kailas	09104308	20/01/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: **F006476E000361501**

Place: Hyderabad
Date: 20 May 2023

Certificate on Corporate Governance

To
The Members Of
Dodla Dairy Limited
8-2-293/82/A/270/Q, Road No 10-C,
Jubilee Hills, Hyderabad - 500 033.
Telangana, India.

We have examined the compliance of conditions of Corporate Governance by Dodla Dairy Limited ('the Company') for the year ended 31 March 2023 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

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

Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: **F006476E000361457**

Place: Hyderabad
Date: 20 May 2023

Independent Auditors' Report

To the Members of Dodla Dairy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Dodla Dairy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Goodwill recognised *(as described in note 3(d) and note 6 of the standalone financial statements)*	
The carrying value of Goodwill aggregates to Rs. 433.37 million as at March 31, 2023. Goodwill is annually tested for impairment. The Company performs such assessment of Goodwill for each cash generating unit (CGU) to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been determined using discounted cash flow models. These models use several key assumptions, including estimates of future sales volumes, prices, operational costs, capex, terminal value growth rates and the discount rate. Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the asset, impairment assessment of Goodwill has been considered as a key audit matter.	Our audit procedures included and were not limited to the following: • Assessed the appropriateness of accounting policy for impairment testing of goodwill with the relevant accounting standards. • Evaluated the design and implementation of key internal financial controls of the Company with respect to the impairment assessment of Goodwill and tested operating effectiveness of such controls. • Gained an understanding of and evaluated the methodology used by management to prepare its cash flow forecasts and the appropriateness of the assumptions applied. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of Company's personnel involved in the process. • Tested budgeting procedures upon which the cash flow forecasts were based. We have also compared the actual past performances with the budgeted figures. • Involved our internal subject matter specialists to evaluate the appropriateness of key assumptions and methodology used by the Company, in particular, those relating to the forecast of the discount rate and terminal growth rate etc. • Performed sensitivity analysis of the key assumptions (growth rates, sales forecast, cost etc.) used to determine which changes to assumptions would change the outcome of impairment assessment; and tested the arithmetical accuracy of the models. • Assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities relating to impairment of Goodwill.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 16, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

    (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, as amended 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 on its financial position in its standalone financial statements – Refer note 38 to the standalone financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

        iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 53 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 53 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 23102328BGSBMQ1108

Place: Hyderabad
Date: May 20, 2023

Annexure 1 referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Dodla Dairy Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangibles assets.

b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) a) The management has conducted physical verification of inventory (except goods-in-transit) at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies were noticed on verification between the physical stock and the book records that were more than 10% in the aggregate of each class of inventory.

b) As disclosed in note 44 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) a) During the year, the Company has provided loans and stood guarantee to subsidiary as given below:

Particulars	Guarantee	Loan
Aggregate amount granted during the year		
- Orgafeed Private Limited	Rs. 300 million	Rs. 312.50 million
Balance outstanding as at balance sheet date - Orgafeed Private Limited	Rs. 300 million	Rs. 276.51 million

b) During the year, the investments and guarantees made by the Company are not prejudicial to the Company's interest. During the year, the Company has not provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

c) The Company has granted loan during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

The Company has not granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

e) There were no loans or advance in the nature of loan granted to companies, firms, Limited

Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments and, guarantees, and security have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

(Rs. in mn)

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Tax and interest thereon	1.68	0.69	AY 08-09	Deputy Commissioner of Income-tax, Hyderabad Circle 1(2)
Income tax Act, 1961	Tax and interest thereon	6.42	6.42	AY 11-12	Commissioner of Income-tax (Appeals)
Income tax Act, 1961	Tax and interest thereon	32.38	32.38	AY 12-13	Commissioner of Income Tax (appeals)
Income tax Act, 1961	Tax and interest thereon	25.36	25.36	AY 13-14	Commissioner of Income Tax (appeals)
Income tax Act, 1961	Tax and interest thereon	9.25	9.25	AY 14-15	Commissioner of Income Tax (appeals)
Income tax Act, 1961	Tax and interest thereon	60.75	-	AY 16-17	Commissioner of Income Tax (appeals)
Income tax Act, 1961	Tax and interest thereon	53.94	-	AY 17-18	Commissioner of Income Tax (appeals)
Income tax Act, 1961	Tax and interest thereon	71.33	-	AY 18-19	Income Tax Appellate Tribunal, Hyderabad Bench
Income tax Act, 1961	Tax and interest thereon	6.43	-	AY 20-21	Deputy Commissioner of Income-tax, Bangalore

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom duty and penalty thereon	3.79	0.10	Financial year 2015-16	High Court of Karnataka
Goods and Services Tax Act, 2017	Goods and Services Tax	7.30	7.30	July 2017 to March 2020	Directorate General of GST Intelligence, Karnataka
Goods and Services Tax Act, 2017	Goods and Services Tax	7.49	7.49	April 2020 to October 2021	Directorate General of GST Intelligence, Karnataka
Goods and Services Tax Act, 2017	Goods and Services Tax	6.64	6.64	July 2017 to March 2019	Additional Commissioner (Appeals), Tirupati Division
Goods and Services Tax Act, 2017	Goods andServices Tax	7.62	5.00	April 2019 to March 2020	Additional Commissioner (Appeals) Tirupati Division
TS Agricultural (Produce and Livestock) Act, 1966	Agriculture Cess	1.43	-	April 2018 to March 2022	Regional Vigilence Officer, Agri Market Committee, Choutuppal

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) a) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) a) The Company has an internal audit system commensurate with the size and nature of its business.

b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 49 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) a) In respect of other than ongoing projects, the Company has transferred unspent amount to a fund specified in Schedule VII of the Companies Act, 2013 (the Act) within a period of six months of the expiry of the financial year, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the financial statements.

b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 36 to the financial statements.

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 23102328BGSBMQ1108

Place: Hyderabad
Date: May 20, 2023

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Dodla Dairy Limited

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 with reference to standalone financial statements of Dodla Dairy Limited ("the Company") as of March 31, 2023 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 e internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 23102328BGSBMQ1108

Place: Hyderabad
Date: May 20, 2023

Standalone Balance Sheet as at 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,945.11	4,565.77
Capital work-in-progress	5	303.74	40.83
Goodwill	6	433.37	359.37
Other intangible assets	6	113.81	42.93
Right-of-use assets	4(iii)	118.22	113.56
Biological assets other than bearer plants			
(i) Matured biological assets	7	11.15	16.02
(ii) Immatured biological assets	7	4.66	5.94
Financial assets			
(i) Investments	8	1,193.57	996.31
(ii) Loans	9	254.51	143.01
(iii) Other financial assets	16	169.42	138.66
Non-current tax asset	27	32.55	25.50
Other non-current assets	10	37.91	432.58
Total non-current assets		**7,618.02**	**6,880.48**
Current assets			
Inventories	11	973.58	1,081.88
Financial assets			
(i) Investments	12	1,901.25	1,285.03
(ii) Trade receivables	13	83.11	47.43
(iii) Cash and cash equivalent	14 (a)	261.15	553.28
(iv) Bank balances other than (iii) above	14 (b)	53.27	50.34
(v) Loans	15	22.00	32.27
(vi) Other financial assets	16	17.42	38.94
Other current assets	17	206.98	81.30
Total current assets		**3,518.76**	**3,170.47**
Total assets		**11,136.78**	**10,050.95**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	594.93	594.93
Other equity	19	8,236.41	7,278.96
Total equity		**8,831.34**	**7,873.89**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	48	103.32	98.32
Other financial liabilities	20	4.88	-
Provisions	23	97.94	107.97
Deferred tax liabilities (net)	21	166.12	260.55
Government grants	22	19.74	22.64
Total non-current liabilities		**392.00**	**489.48**
Current liabilities			
Financial liabilities			
(i) Lease liabilities	48	34.41	29.70
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	24	29.16	21.00
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1,058.96	883.32
(iii) Other financial liabilities	25	406.63	340.31
Other current liabilities	28	79.05	116.75
Government grants	22	2.91	2.91
Provisions	26	145.95	137.24
Liabilities for current tax (net)	27	156.37	156.35
Total current liabilities		**1,913.44**	**1,687.58**
Total liabilities		**2,305.44**	**2,177.06**
Total equity and liabilities		**11,136.78**	**10,050.95**

Significant accounting policies 3

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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

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

Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	29	25,841.24	20,964.84
Other income	30	239.19	325.26
Total income		**26,080.43**	**21,290.10**
Expenses			
Cost of materials consumed	31	19,792.50	15,380.87
Changes in inventories of finished goods and work-in-progress	32	230.17	(8.35)
Employee benefits expense	33	1,086.38	936.28
Finance costs	34	11.99	64.93
Depreciation and amortisation expense	35	576.19	488.57
Other expenses	36	3,233.93	2,794.39
Total expenses		**24,931.16**	**19,656.69**
Profit before tax		**1,149.27**	**1,633.41**
Tax expense			
- Current tax	37	296.40	385.81
- Deferred tax	37	(96.98)	(118.57)
Total tax expense		**199.42**	**267.24**
Profit for the year (A)		**949.85**	**1,366.17**
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit and loss			
Remeasurement gain/(loss) on the net defined benefit obligation		10.15	(4.88)
Income tax relating to these items	37	(2.55)	1.23
Other comprehensive income for the year, net of income tax (B)		**7.60**	**(3.65)**
Total comprehensive income for the year (A+B)		**957.45**	**1,362.52**
Earnings per share (nominal value of equity shares of ₹ 10 each, fully paid-up)	40		
Basic [in ₹]		15.97	23.07
Diluted [in ₹]		15.84	22.87
Weighted average number of equity shares used in computing earnings per share:			
-Basic		59,492,735	59,211,081
-Diluted		59,969,155	59,724,549

Significant accounting policies 3

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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

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

Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Standalone Statement of Changes in Equity for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Particulars	Equity share capital	Other equity					Total equity attributable to shareholders of the Company
		Reserves and surplus					
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Share options outstanding account	Retained earnings	
Balance as at 01 April 2021	**583.25**	**12.00**	**1,523.72**	**50.77**	**29.98**	**3,842.80**	**6,042.52**
Issue of shares	11.68	-	488.32	-	-	-	500.00
Share issue expenses	-	-	(31.84)	-	-	-	(31.84)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	1,366.17	1,366.17
Employee share based payment expense	-	-	-	-	0.69	-	0.69
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	(3.65)	(3.65)
Transfer to retained earnings	-	-	-	(50.77)	-	50.77	-
Balance as at 31 March 2022	**594.93**	**12.00**	**1,980.20**	**-**	**30.67**	**5,256.09**	**7,873.89**

Particulars	Equity share capital	Other equity					Total equity attributable to shareholders of the Company
		Reserves and surplus					
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Share options outstanding account	Retained earnings	
Balance as at 01 April 2022	**594.93**	**12.00**	**1,980.20**	**-**	**30.67**	**5,256.09**	**7,873.89**
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	949.85	949.85
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	7.60	7.60
Balance as at 31 March 2023	**594.93**	**12.00**	**1,980.20**	**-**	**30.67**	**6,213.54**	**8,831.34**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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Managing Director
DIN: 00794889
Place: Hyderabad

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Chief Executive Officer
Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer
Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities		
Profit before tax	1,149.27	1,633.41
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	576.19	488.57
Changes in fair value of biological assets	(5.75)	(2.04)
(Profit)/ loss on sale/ retirement of property, plant and equipment, net	(2.76)	1.38
Loss on sale/ discard of biological assets, net	4.38	3.53
Interest income	(124.81)	(82.59)
Interest on lease liabilities	11.99	64.93
Inventories written down	1.61	-
Dividend income from non-current investment	-	(169.12)
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	2.70	8.65
Bad debts written off	3.53	2.44
Amortisation of government grants	(2.91)	(2.91)
Loss on account of foreign exchange fluctuations, net	-	0.03
Operating profit before working capital changes	**1,544.11**	**1,905.27**
Working capital adjustments		
Increase in trade receivables	(43.51)	(3.40)
Decrease/(increase) in inventories	123.74	(228.43)
Decrease/(increase) in loans and other financial assets	16.48	(22.91)
(Increase)/ decrease in other current and non-current assets	(122.56)	9.42
Increase in trade payables and other financial liabilities	212.70	82.46
Increase in provisions	8.83	41.40
(Decrease)/increase in other current and non-current liabilities	(37.70)	57.15
Cash generated from operations	**1,702.09**	**1,840.96**
Income taxes paid, net	(303.43)	(392.39)
Net cash generated from operating activities	**1,398.66**	**1,448.57**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(732.62)	(709.53)
Proceeds from sale of property, plant and equipment	17.34	2.12
Proceeds from sale of biological assets	7.52	3.52
Loans given to subsidiary	(312.50)	-
Loans repaid by subsidiary	206.50	16.50
Payments towards purchase of investment in subsidiary	(50.67)	-
Dividend income from non-current investment	-	169.12
Payment towards acquisition of business	(207.73)	(300.00)
Purchase of investments (mutual funds, bonds and commercial papers)	(10,647.36)	(5,493.04)
Proceeds from sale of investments (mutual funds, bonds and commercial papers)	9,959.87	4,295.52
Interest received	102.24	59.18
Investment in bank deposits (having original maturity of more than 3 months)	(51.40)	(6.40)
Redemption of bank deposits (having original maturity of more than 3 months)	51.33	673.53
Net cash used in investing activities	**(1,657.48)**	**(1,289.48)**
Cash flows from financing activities		

	For the year ended 31 March 2023	For the year ended 31 March 2022
Repayment of long term borrowings	-	(869.19)
Issue of shares	-	500.00
Share issue expenses	-	(31.84)
Repayment of lease liabilities	(33.31)	(30.69)
Finance costs paid	-	(56.04)
Net cash used in financing activities	**(33.31)**	**(487.76)**
Net decrease in cash and cash equivalents	**(292.13)**	**(328.67)**
Cash and cash equivalents at the beginning of the year	553.28	881.95
Cash and cash equivalents at end of the year	**261.15**	**553.28**

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

	As at 31 March 2023	As at 31 March 2022
Cash on hand	8.83	12.94
Balances with banks		
-in current accounts	252.32	540.34
Balances as per statement of cash flows	**261.15**	**553.28**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

1. Corporate information

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, India. The Company is in the business of processing/ production of milk and production of milk products.

The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited.

2. Basis of preparation

A. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorized for issue by the Company's Board of Directors on 20 May 2023.

Details of the Company's accounting policies are included in note 3.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated. The Comparatives are presented for the year ended and as on 31 March 2022.

C. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Investment in mutual funds	Fair value
Biological assets	Fair value less cost to sell
Share based payment	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation

D. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 48- leases: determination of lease term of contracts with renewal and termination options – Company as a lessee.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year financial statements is included in the following notes:

- Note 7 - determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 23 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment
- Note 6 - impairment of goodwill
- Note 44 - impairment of financial assets
- Note 48 - lease liabilities - measurement of incremental borrowing costs.
- Note 52 – determination of purchase price allocation and valuation of intangible assets

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability falls into the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 7 - Biological assets other than bearer plants
- Note 44 - Financial instruments
- Note 18(f) - Share based payment arrangement

F. Current versus non-current classification

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

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

- It is expected to be realised or intended to be sold or consumed in the Company's normal operating cycle;

- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Apart from the above, current assets also include the current portion of non-current financial assets. All other assets are classified as non-current.

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the date.

Apart from the above, current liabilities also include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle - The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

3. Basis of preparation

(a) Property, plant and equipment

i. *Recognition and measurement*

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

On transition to Ind AS, the Company had elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. *Depreciation*

Depreciation on tangible assets (other than for those class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful lives prescribed and in the manner laid down under Schedule II to the Companies Act, 2013 and additions and deletions are restricted to the period of use. If the Management's estimate of the useful life of a fixed asset is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of fixed assets has been provided at the rates based on the following useful lives of fixed assets as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013:

Asset *	Useful life
Laboratory equipment	3 years
Temporary Structures	1 year
Aluminium Milk Cans	10 years
Building – RCC framework	30 years
Freezers and Coolers	3 years

* For these class of assets, the Management believes, based on technical evaluation carried out by them internally, that the useful life as given above best represent the period over which the Management expects to use these assets. Hence, the useful life for these assets is different from the useful life as in Schedule II of the Act.

Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Depreciation on additions/ disposals is provided on a pro-rata basis, i.e., from/ upto the date on which asset is ready for use/ disposed off

iv. *Capital work-in-progress*

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

(b) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over their estimated useful life on a straight-line basis as follows:

Asset	Useful life
Computer software	3 years
Brands	5 years
Distribution network	5 years
Non-compete arrangements	5 years

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in 'other income' of consolidated statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company had elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(c) Biological assets

Biological assets i.e. living animals, are measured at fair value less cost to sell. Costs to sell include the minimal transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred. The animals reared from conception (calf) and heifers are classified as 'immatured biological assets' until the animals become productive. All the productive animals are classified as "matured biological assets".

(d) Impairment

i. *Financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

ii. *Non -financial assets*

The Company's non-financial assets, other than biological assets, inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured as the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(e) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company's lease asset classes primarily consist of leases for buildings, leasehold land and plant and machinery.

ii. *Lease Liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(f) Inventories

Inventories comprise of raw materials and packing materials, work-in-progress, finished goods, stock-in-trade and stores and spares and are carried at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in progress is determined with reference to the selling prices of related finished products. The comparison of cost and net realisable value is made on an item-by-item basis.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Goods-in-transit are valued at cost which represents the costs incurred upto the stage at which the goods are in-transit.

(g) Financial instruments

i. *Recognition and initial measurement*

The Company initially recognises financial assets (excluding trade receivables) and financial liabilities when it becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated.

ii. *Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Investment in subsidiary and associate

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associate, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

iii. *Derecognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(h) Revenue recognition

The Company is engaged in sale of milk and milk products. Revenue from the sale of goods is recognised when control of the goods has transferred to the buyer which coincides with the time when the goods are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of goods. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts collected on behalf of third parties. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Dividend income and interest income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(i) Earnings per share (EPS)

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

(j) Business Combination

In accordance with Ind AS 103, the Company accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured atfair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree’s employees (acquiree’s awards), then all or a portion of the amount of the acquirer’s replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree’s awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations (for common control business combinations) arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

(k) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates, are recognised as income or expenses in the period in which they arise. Non monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(l) Government grants

Grants from the government are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current/ current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(m) Income taxes:

Income-tax expense for the year comprise of current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year-on-year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

(n) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

(o) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i. *Contingent liabilities*

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

ii. *Contingent assets*

Contingent assets has to be recognized in the standalone financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

iii. *Onerous contracts*

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(p) Employee benefits

i. *Short-term employee benefits*

Short-term employee benefits obligation are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount

ii. *Share based payment transactions*

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

iv. *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. *Other long-term benefits*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of independent actuarial obligation using the projected unit credit method.

(q) Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

(r) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(s) Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as IPO expenses recoverable under other current assets.

(t) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Where bank overdrafts/ cash credits which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. For the purposes of cash flow, bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(u) Cash flow statement

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

(v) Recent accounting pronouncements

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

There is no material impact on the Company's financial statements due to these amendments.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

There is no material impact on the Company's financial statements due to these amendments.

(vi) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application).

There is no material impact on the Company's financial statements due to these amendments.

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

There is no material impact on the Company's financial statements due to these amendments.

(w) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The amendments are not expected to have a material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Company's financial statements.

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 4: Property, plant and equipment

Description	Cost or deemed cost					Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2022	Acquisitions through business combination	Additions	Disposals	As at 31 March 2023	As at 01 April 2022	Depreciation for the year	Disposals	As at 31 March 2023	As at 31 March 2023
Freehold land	690.75	18.24	26.29	-	735.28	-	-	-	-	735.28
Buildings	1,497.58	84.50	120.53	3.39	1,699.22	234.53	64.73	1.09	298.17	1,401.05
Plant and equipments	3,108.37	197.35	325.05	31.43	3,599.34	910.53	294.89	21.25	1,184.17	2,415.17
Electrical installations	128.17	2.55	10.85	1.59	139.98	61.77	13.66	0.61	74.82	65.16
Electronic data processors	54.75	0.11	11.75	3.63	62.98	41.54	7.54	3.61	45.47	17.51
Office equipments	46.29	0.44	4.62	0.78	50.57	27.70	6.55	0.75	33.50	17.07
Furniture and fixtures	136.08	4.28	12.91	0.56	152.71	53.36	16.40	0.47	69.29	83.42
Laboratory equipments	736.23	1.03	63.33	41.10	759.49	562.03	95.64	40.72	616.95	142.54
Leasehold improvements	40.95	-	11.21	0.94	51.22	5.51	4.29	0.34	9.46	41.76
Vehicles	49.67	2.05	8.15	0.07	59.80	26.10	7.62	0.07	33.65	26.15
Total	**6,488.84**	**310.55**	**594.69**	**83.49**	**7,310.59**	**1,923.07**	**511.32**	**68.91**	**2,365.48**	**4,945.11**

Description	Cost or deemed cost					Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2021	Acquisitions through business combination	Additions	Disposals	As at 31 March 2022	As at 01 April 2021	Depreciation for the year	Disposals	As at 31 March 2022	As at 31 March 2022
Freehold land	667.15	-	23.60	-	690.75	-	-	-	-	690.75
Buildings	1,426.48	-	71.76	0.66	1,497.58	177.03	58.16	0.66	234.53	1,263.05
Plant and equipments	2,780.00	-	341.97	13.60	3,108.37	680.28	241.26	11.01	910.53	2,197.84
Electrical installations	119.74	-	9.61	1.18	128.17	50.09	12.73	1.05	61.77	66.40
Electronic data processors	47.68	-	8.75	1.68	54.75	37.34	5.88	1.68	41.54	13.22
Office equipments	39.82	-	8.10	1.63	46.29	22.21	7.07	1.58	27.70	18.58
Furniture and fixtures	123.33	-	13.53	0.78	136.08	39.23	14.76	0.63	53.36	82.72
Laboratory equipments	612.45	-	131.34	7.56	736.23	475.20	94.30	7.47	562.03	174.20
Leasehold improvements	29.88	-	11.07	-	40.95	2.35	3.16	-	5.51	35.44
Vehicles	50.37	-	1.16	1.86	49.67	20.88	6.60	1.38	26.10	23.57
Total	**5,896.90**	-	**620.89**	**28.95**	**6,488.84**	**1,504.61**	**443.92**	**25.46**	**1,923.07**	**4,565.77**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(i) Contractual obligations

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

(ii) The Company has not revalued any property, plant and equipment after initial recognition, during the current and previous financial year.

(iii) Right-of-use assets

Description	Gross carrying amount					Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2022	Acquisitions through business combination	Additions	Disposals	As at 31 March 2023	As at 01 April 2022	Depreciation for the year	Disposals	As at 31 March 2023	As at 31 March 2023
Land	5.28	-	2.31	-	7.59	2.15	1.00	-	3.15	4.44
Buildings	137.83	-	30.82	11.07	157.58	41.91	19.13	4.86	56.18	101.40
Plant and equipments	26.70	-	2.76	-	29.46	12.19	4.89	-	17.08	12.38
Total	**169.81**	-	**35.89**	**11.07**	**194.63**	**56.25**	**25.02**	**4.86**	**76.41**	**118.22**

Description	Gross carrying amount					Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2021	Acquisitions through business combination	Additions	Disposals	As at 31 March 2022	As at 01 April 2021	Depreciation for the year	Disposals	As at 31 March 2022	As at 31 March 2022
Land	5.28	-	-	-	5.28	1.19	0.96	-	2.15	3.13
Buildings	115.79	-	28.26	6.22	137.83	27.08	17.38	2.55	41.91	95.92
Plant and equipments	19.75	-	6.95	-	26.70	7.31	4.88	-	12.19	14.51
Total	**140.82**	-	**35.21**	**6.22**	**169.81**	**35.58**	**23.22**	**2.55**	**56.25**	**113.56**

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 5: Capital work-in-progress

	As at 31 March 2023	As at 31 March 2022
Reconciliation of carrying amount		
Opening balance	**40.83**	**82.57**
Additions during the year	1,173.02	579.90
Capitalised during the year	(910.11)	(621.64)
Closing balance	**303.74**	**40.83**

The Company does not have any Capital work-in-progress (CWIP) which is overdue or has exceeded its cost compared to its original plan and hence, CWIP completion schedule is not applicable.

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

Ageing of CWIP

As at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	282.26	21.48	-	-	303.74
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	40.83	-	-	-	40.83
Projects temporarily suspended	-	-	-	-	-

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 6: Goodwill and other intangible assets

Reconciliation of carrying amount

Description	Goodwill	Other intangible assets				
		Distribution network	Computer softwares	Brands	Non-compete arrangements	Total
Cost or deemed cost						
As at 01 April 2022	359.37	-	81.25	58.80	22.20	162.25
Additions	-	-	5.07	-	-	5.07
Acquisitions through business combination	74.00	16.66	-	70.00	19.00	105.66
Disposals	-	-	(0.82)	-	-	(0.82)
As at 31 March 2023	**433.37**	**16.66**	**85.50**	**128.80**	**41.20**	**272.16**
Accumulated amortisation						
As at 01 April 2022	-	-	69.56	36.12	13.64	119.32
Amortisation expense	-	3.23	3.17	25.33	8.12	39.85
Disposals	-	-	(0.82)	-	-	(0.82)
As at 31 March 2023	**-**	**3.23**	**71.91**	**61.45**	**21.76**	**158.35**
Carrying amount (net) as at 31 March 2023	**433.37**	**13.43**	**13.59**	**67.35**	**19.44**	**113.81**

Cost or deemed cost

As at 01 April 2021	359.37	-	80.50	58.80	22.20	161.50
Additions	-	-	0.75	-	-	0.75
Disposals	-	-	-	-	-	-
As at 31 March 2022	**359.37**	**-**	**81.25**	**58.80**	**22.20**	**162.25**
Accumulated amortisation						
As at 01 April 2021	-	-	64.32	24.37	9.20	97.89
Amortisation expense	-	-	5.24	11.75	4.44	21.43
Disposals	-	-	-	-	-	-
As at 31 March 2022	**-**	**-**	**69.56**	**36.12**	**13.64**	**119.32**
Carrying amount (net) as at 31 March 2022	**359.37**	**-**	**11.69**	**22.68**	**8.56**	**42.93**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

`(i) **Impairment**

Refer accounting policy in note 3(d).

Impairment testing for cash generating unit containing goodwill

Additions to Brands, Non-compete arrangements, Goodwill and Distribution network include intangible assets on account of acquisition of a Milk and Milk Products Division of Sri Krishna Milks Private Limited ("SKM"), through slump purchase arrangement on a going concern basis at a consideration of ₹ 507.73.

During the earlier years, the Company has acquired assets under a business transfer agreement from K C Dairy Products Private Limited ("K C Dairy") and allocated Goodwill to K C Dairy which represents the lowest level within the Company at which Goodwill is monitored for internal management purposes. The carrying amount of goodwill as at 31 March 2023 is ₹ 359.37 (31 March 2022: ₹ 359.37).

As at 31 March 2023, Goodwill pertaining to both business combinations were tested for impairment.

The key assumptions used in the estimation of the recoverable amount as set out below. The values assigned to the key assumptions represent Management's assessment of future trends in the relevant industry and have been based on historical data from both internal and external sources.

	Acquisition relating to KC Dairy		Acquisition relating to SKM	
	As at 31 March 2023	**As at 31 March 2022**	**As at 31 March 2023**	**As at 31 March 2022**
Annual revenue growth rate for 5 years (Average)	11.86%	11.48%	12.75%	-
Terminal value growth rate	3.00%	3.00%	5.00%	-
Weighted average cost of capital % (WACC) post tax	13.53%	14.28%	13.50%	-

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = Risk free return + (Market premium x Beta for the Company).

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for the year ended 31 March 2023.

(ii) The Company has not revalued any Intangible assets after initial recognition during the current and previous financial year.

Note 7: Biological assets other than bearer plants

	As at 31 March 2023	**As at 31 March 2022**
Matured biological assets	11.15	16.02
Immatured biological assets	4.66	5.94
	15.81	**21.96**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Reconciliation of carrying amount:

	As at 31 March 2023		As at 31 March 2022	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
Balance at the beginning of the year	**16.02**	**5.94**	**18.65**	**8.32**
Change in fair value (refer note 30)	4.25	1.50	(2.88)	4.92
Cattles matured during the year	-	-	5.21	(5.21)
Cattles sold/ discarded during the year	(9.12)	(2.78)	(4.96)	(2.09)
Balance at the end of the year	**11.15**	**4.66**	**16.02**	**5.94**

As at 31 March 2023, there were 122 cattle (31 March 2022: 194 cattle) as immatured biological assets and 173 cattle (31 March 2022: 270 cattle) as matured biological assets. During the current year, the Company has sold/ discarded 238 cattle (31 March 2022: 137 cattle).

The fair valuation of biological assets is classified as level 2 in the fair value hierarchy as they are determined based on the basis of the best available quote from the nearest market to the farm and on the basis of age of the calves, cows and heifers.

Note 8: Non-current investments

	As at 31 March 2023	As at 31 March 2022
Investment in subsidiaries and associate		
Carried at cost less provision for other than temporary impairment		
Unquoted		
Investment in subsidiaries		
Dodla Holdings PTE. Limited, Singapore	407.84	407.84
6,606,628 (31 March 2022: 6,606,628) equity shares of face value USD 1.00 each, fully paid-up		
Country Delight Dairy Limited, Uganda	0.67	-
1,000 (31 March 2022: Nil) equity shares of face value KES 1000.00 each, fully paid up		
Orgafeed Private Limited, India	85.99	30.00
4,914,977 (31 March 2022: 3,000,000) equity shares of face value ₹ 10 each, fully paid-up		
Investment in associate*		
Global VetMed Concepts India Private Limited, India	38.67	38.67

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	As at 31 March 2023	As at 31 March 2022
3,866,923 (31 March 2022: 3,866,923) equity shares of face value ₹ 10 each, fully paid-up		
Less: Provision for impairment for investment in Global VetMed Concepts India Private Limited	(38.67)	(38.67)
	494.50	**437.84**
Investment in debentures		
Carried at amortised cost	699.07	558.47
	1,193.57	**996.31**
Aggregate value of non-current investments - unquoted	1,232.24	1,034.98
Aggregate provision for impairment in value of non-current investments	(38.67)	(38.67)

* The Company holds 47.88% of the shareholding in the associate company. The Company's share of net (loss)/profit incurred during the year by the associate company is ₹ (0.89) (31 March 2022: ₹ 0.34). The Company has not recognised this (loss)/profit in its books of account as the investment is fully impaired. The Company has not received dividend from the associate company during the current and previous year.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 44.

The Company has not traded in or invested in crypto or virtual currency during the year.

Note 9: Non-current loans

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loans to subsidiary (refer note 41)	254.51	143.01
Unsecured, credit impaired		
Amounts receivable from vendors	5.00	5.00
Less: Allowance for doubtful receivables	(5.00)	(5.00)
	254.51	**143.01**

Note 10: Other non-current assets (unsecured, considered good)

	As at 31 March 2023	As at 31 March 2022
Capital advances	27.75	126.02
Advance for business purchase	-	300.00
Prepaid expenses	10.06	6.46
Taxes paid under protest	0.10	0.10
	37.91	**432.58**

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 11: Inventories

	As at 31 March 2023	As at 31 March 2022
Raw materials and packing materials	649.34	527.48
Work-in-progress	125.86	244.97
Finished goods*	137.77	248.83
Stores and spares	60.61	60.60
	973.58	**1,081.88**

*includes goods-in-transit amounting to ₹ 28.59 (31 March 2022: ₹ 58.74).

The write down of inventories to net realisable value during the year amounted to ₹ 1.61 (31 March 2022: ₹ Nil). The write down are included in changes in inventories of finished goods and work-in-progress.

Note 12: Current investments

	As at 31 March 2023	As at 31 March 2022
Carried at FVTPL		
Investment in quoted mutual funds	1,593.49	473.99
Carried at amortised cost		
Investment in debentures and bonds	161.77	615.03
Investment in commercial papers	145.99	196.01
	1,901.25	**1,285.03**
Aggregate book/ market value of current investments - quoted	1,593.49	473.99
Aggregate value of current investments - unquoted	307.76	811.04

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 44.

Note 13: Trade receivables (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Secured	14.82	6.63
Unsecured, considered good	68.29	40.80
Unsecured, credit impaired	6.55	0.03
	89.66	**47.46**
Less: Allowance for doubtful receivables	(6.55)	(0.03)
	83.11	**47.43**

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

There were no unbilled receivables as at 31 March 2023 and as at 31 March 2022.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Ageing as at 31 March 2023

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	82.78	0.31	0.02	-	-	**83.11**
(ii) Undisputed trade receivables – credit impaired	3.88	2.14	0.53	-	-	**6.55**
Total	**86.66**	**2.45**	**0.55**	**-**	**-**	**89.66**

Ageing as at 31 March 2022

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	46.93	0.50	-	-	-	**47.43**
(ii) Undisputed trade receivables – credit impaired	-	-	0.03	-	-	**0.03**
Total	**46.93**	**0.50**	**0.03**	**-**	**-**	**47.46**

There are no debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Trade receivables are non-interest bearing and are generally are in terms of 0 to 30 days.

Note 14: Cash and bank balances

		As at 31 March 2023	As at 31 March 2022
(a)	**Cash and cash equivalent:**		
	Cash on hand	8.83	12.94
	Balances with banks		
	- in current accounts	252.32	540.34
		261.15	**553.28**
(b)	**Other bank balances**		
	Deposits with remaining maturity of less than 12 months*	53.27	50.34
		53.27	**50.34**

*Includes margin money deposits against bank guarantees amounting to ₹ 0.41 (31 March 2022 : ₹ 36.45)

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Reconciliation of liabilities arising from financing activities for the year ended 31 March 2023:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
Non-current borrowings (including current maturities)	-	869.16
Lease liabilities	128.02	114.99
Interest accrued but not due on borrowings	-	2.54
Movement		
Repayment of long term borrowings	-	(869.19)
Payment of lease liabilities	(33.31)	(30.69)
Interest expense	-	53.01
Interest on lease liabilities	11.99	11.42
Interest paid	-	(56.04)
Other non-cash movements		
- Addition to lease liabilities, net of disposals	31.03	32.30
- Borrowing cost amortisation	-	0.50
Closing balance		
Lease liabilities	**137.73**	**128.02**

Note 15: Current loans (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Amounts receivable from vendors	-	4.77
Loan to subsidiary (refer note 41)	22.00	27.50
	22.00	**32.27**

For details of loans due by Company in which director of the company is director refer note 41.

Note 16: Other financial assets (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Security deposits	112.14	104.36
Interest accrued	30.64	15.31
Bank deposits maturing after 12 months from the reporting date*	0.20	-
Amount paid under protest	26.44	18.99
	169.42	**138.66**

* Includes margin money deposits against bank guarantees.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Current		
Unsecured, considered good		
Security deposits	-	26.01
Interest accrued	15.77	10.36
Accrued income (refer note 41)	1.65	2.57
	17.42	**38.94**

Note 17: Other current assets

	As at 31 March 2023	As at 31 March 2022
Advances other than capital advances:		
Unsecured, considered good:		
Salary advance to employees*	5.88	3.59
Prepaid expenses	36.33	15.80
Advance to suppliers and service providers	158.88	12.94
Share issue expenses (refer note (i) below)	-	23.96
Other advances	5.71	24.00
Balance with government authorities	0.18	1.01
Unsecured, credit impaired:		
Other advances*	31.22	35.07
Less : Allowance for bad and doubtful advances	(31.22)	(35.07)
	206.98	**81.30**

Note (i): During the previous year ended 31 March 2022, the Company incurred expenses in connecttion with the Initial Public Offer (IPO) of equity shares of the Company by way of fresh issue and an offer for sale by the existing shareholders. In relation to the IPO expenses incurred that date, except for listing fees which shall be solely borne by the Company, all other expenses will be shared between the Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by the Company in the fresh issue and the offered shares sold by the selling shareholders in the offer for sale.

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

Note 18: Equity share capital

	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
75,000,000 (31 March 2022: 75,000,000) equity shares of ₹ 10 each	750.00	750.00
	750.00	**750.00**
Issued, subscribed and paid-up share capital		
59,492,735 (31 March 2022: 59,492,735) equity shares of ₹ 10 each fully paid-up	594.93	594.93
	594.93	**594.93**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity shares				
At the commencement of the year	59,492,735	594.93	58,324,511	583.25
Issued during the year	-	-	1,168,224	11.68
Outstanding at the end of the year	**59,492,735**	**594.93**	**59,492,735**	**594.93**

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

The Company has only one class of equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Equity shares of ₹10 each, fully paid-up				
Mr. D. Sunil Reddy	7,657,434	12.87%	7,852,434	13.20%
Mrs. D. Deepa Reddy	6,766,409	11.37%	6,766,409	11.37%
Dodla Family Trust	14,524,983	24.41%	14,524,983	24.41%
Mylktree Consultants LLP	6,946,614	11.68%	6,946,614	11.68%
TPG Dodla Dairy Holdings Pte. Ltd.	-	0.00%	5,831,434	9.80%
SBI Small Cap Fund	3,672,376	6.17%	3,672,376	6.17%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(d) Equity shares held by promoters at the end of the year

As at 31 March 2023:

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. D. Sunil Reddy	7,852,434	(1,95,000)	7,657,434	12.87%	-2.48%
Mr. D. Sesha Reddy	556,716	-	556,716	0.94%	0.00%
Mrs. D. Deepa Reddy	6,766,409	-	6,766,409	11.37%	0.00%
Sunil Reddy (HUF)	-	-	-	0.00%	0.00%
Dodla Family Trust	14,524,983	-	14,524,983	24.41%	0.00%
Dodla Girija Reddy	17	-	17	0.00%	0.00%
Dodla Subba Reddy	17	-	17	0.00%	0.00%
Bommi Surekha Reddy	556,733	-	556,733	0.94%	0.00%
Mylktree Consultants LLP	6,946,614	-	6,946,614	11.68%	0.00%

As at 31 March 2022:

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. D. Sunil Reddy	8,269,038	(416,604)	7,852,434	13.20%	-5.04%
Mr. D. Sesha Reddy	556,716	-	556,716	0.94%	0.00%
Mrs. D. Deepa Reddy	7,433,958	(667,549)	6,766,409	11.37%	-8.98%
Sunil Reddy (HUF)	-	-	-	0.00%	0.00%
Dodla Family Trust	16,144,877	(1,619,894)	14,524,983	24.41%	-10.03%
Dodla Girija Reddy	17	-	17	0.00%	0.00%
Dodla Subba Reddy	17	-	17	0.00%	0.00%
Bommi Surekha Reddy	556,733	-	556,733	0.94%	0.00%
Mylktree Consultants LLP	7,000,000	(53,386)	6,946,614	11.68%	-0.76%

(e) During the five years immediately preceding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued other than the issuance of 52,397,168 equity shares of ₹ 10 each, fully paid-up as bonus shares on 17 July 2018 in the ratio of 16:1 (sixteen equity shares of ₹ 10 each for every one equity share of ₹ 10 each held in the Company as on the record date i.e. 05 July 2018) by capitalisation of securities premium account.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(f) Share based payment arrangement

During the financial year 2017-18, the Company introduced Dodla Dairy Limited Employee Stock Option Plan 2018 ('the Plan'). As per the Plan, the Nomination and Remuneration Committee grants options to the eligible employees and directors of the Company. The vesting period of the option shall be provided in the relevant grant letter and shall be subject to the applicable law. Options granted under the Plan can be exercised within the period determined by the Nomination and Remuneration Committee. Exercise of an option is subject to continued employment.

Under the Plan, the Company granted 49,122 options on 23 March 2018 (835,074 options, converted in the ratio of bonus shares issued) at an exercise price of ₹ 3,627.38 per share (₹ 213.39 per share, in proportion to the bonus shares issued) to the Chief Executive Officer of the Company. Each option represents one equity share of ₹ 10 each, fully paid-up.

Movement in the options under the plan	No. of options	
	As at 31 March 2023	As at 31 March 2022
Options outstanding at the beginning of the year	8,35,074	8,35,074
Options granted during the year	-	-
Options exercised during the year	-	-
Options exercisable at the end of the year	**8,35,074**	**8,35,074**

Fair value measurement

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black Scholes model for calculating fair value of options under the plan as on the date of grant are as follows:

No. of options granted	8,35,074
Date of grant	23-Mar-18
Vesting period (years)	1 to 4
Fair value at grant date (INR)	430
Expected volatility	45.00%
Risk free rate	7.60%

For details on the employee benefits expense, refer note 33.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 19: Other equity

	Attributable to the owners of the Company					
	Capital redemption reserve	**Securities premium**	**Debenture redemption reserve**	**Share options outstanding account**	**Retained earnings**	**Total**
Balance as at 01 April 2021	**12.00**	**1,523.72**	**50.77**	**29.98**	**3,842.80**	**5,459.27**
Issue of shares	-	488.32	-	-	-	488.32
Share issue expenses	-	(31.84)	-	-	-	(31.84)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	(3.65)	(3.65)
Employee share based payment expense	-	-	-	0.69	-	0.69
Transfer to Retained earnings	-	-	(50.77)	-	50.77	-
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	1,366.17	1,366.17
Balance as at 31 March 2022	**12.00**	**1,980.20**	**-**	**30.67**	**5,256.09**	**7,278.96**

	Capital redemption reserve	**Securities premium**	**Debenture redemption reserve**	**Share options outstanding account**	**Retained earnings**	**Total**
Balance as at 01 April 2022	**12.00**	**1,980.20**	**-**	**30.67**	**5,256.09**	**7,278.96**
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	7.60	7.60
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	949.85	949.85
Balance as at 31 March 2023	**12.00**	**1,980.20**	**-**	**30.67**	**6,213.54**	**8,236.41**

Nature and purpose of the reserve

Capital redemption reserve

The Company had redeemed the preference shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so redeemed is required to be transferred to the capital redemption reserve.

Debenture redemption reserve

The Company had issued non-convertible debentures in India and as per the provisions of the Companies Act, 2013 is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend.

Securities Premium

Securities premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued under Dodla Dairy Limited Employee Stock Option Plan 2018 (refer note 18(f)).

Remeasurement of defined benefit obligation (included in retained earnings)

Remeasurements of defined benefit obligation represents the following as per Ind AS 19, employee benefits:

(a) actuarial gains and losses

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

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Note 20: Other financial liabilities (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Financial guarantee	4.88	-
	4.88	**-**

Note 21: Deferred tax liabilities, net

	As at 31 March 2023	As at 31 March 2022
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
On account of property, plant and equipment (PPE), other intangible assets and right-of-use assets	271.29	367.73
Fair value changes in mutual funds	13.77	5.53
Others	3.63	5.18
Deferred tax assets		
Provision for employee benefits	(43.04)	(42.91)
Lease liabilities	(34.66)	(32.23)
Provision for impairment of receivables and advances, net	(10.76)	(10.08)
Others	(34.11)	(32.67)
Net deferred tax liability	**166.12**	**260.55**

Also refer note 37 for tax expense.

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Movement in deferred tax liabilities/ (assets)

	Lease liabilities	PPE, other intangible assets and right-of-use assets	Fair value changes in mutual funds	Provision for employee benefits	Provision for impairment of receivables and advances, net	Others	Total
Balance as at 01 April 2021	**(40.19)**	**517.37**	**1.84**	**(64.88)**	**(17.03)**	**(16.76)**	**380.35**
Charged/ (credited):							
- to profit or loss	7.96	(149.64)	3.69	23.20	6.95	(10.73)	(118.57)
- to other comprehensive income	-	-	-	(1.23)	-	-	(1.23)
Balance as at 31 March 2022	**(32.23)**	**367.73**	**5.53**	**(42.91)**	**(10.08)**	**(27.49)**	**260.55**

	Lease liabilities	PPE, other intangible assets and right-of-use assets	Fair value changes in mutual funds	Provision for employee benefits	Provision for impairment of receivables and advances, net	Others	Total
Balance as at 01 April 2022	**(32.23)**	**367.73**	**5.53**	**(42.91)**	**(10.08)**	**(27.49)**	**260.55**
Charged/ (credited):							
- to profit or loss	(2.43)	(96.44)	8.24	(2.68)	(0.68)	(2.99)	(96.98)
- to other comprehensive income	-	-	-	2.55	-	-	2.55
Balance as at 31 Mar 2023	**(34.66)**	**271.29**	**13.77**	**(43.04)**	**(10.76)**	**(30.48)**	**166.12**

Note 22: Government grants

	As at 31 March 2023	As at 31 March 2022
Non-current	19.74	22.64
Current	2.91	2.91
	22.64	**25.55**

Movement of government grants:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	**25.55**	**28.46**
Add: Received during the year	-	-
Less: Released to statement of profit and loss (refer note 30)	(2.91)	(2.91)
Balance at the end of the year	**22.64**	**25.55**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 23: Non-current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Compensated absences	89.84	88.04
Gratuity (refer note (ii) below)	8.10	19.93
	97.94	**107.97**

(i) Post retirement benefit - Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue (refer note 33).

(ii) Post retirement benefit - Defined benefit plans

The Company provides its employees with the benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/ exit, restricted to a sum of ₹ 2.00.

a) The amounts recognised in the financial statements and the movements in the defined benefit obligation and plan assets over the year are as follows:

	As at 31 March 2023			As at 31 March 2022		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance (A)	**120.49**	**(96.18)**	**24.31**	**102.70**	**(83.92)**	**18.78**
Current service cost	18.88	-	18.88	15.30	-	15.30
Interest cost	7.34	-	7.34	5.39	-	5.39
Expected returns	-	(5.86)	(5.86)	-	(4.40)	(4.40)
Total amount recognised in profit or loss (B)	**26.22**	**(5.86)**	**20.36**	**20.69**	**(4.40)**	**16.29**
Remeasurements						
(Gain)/loss from change in demographic assumptions	(2.75)	-	(2.75)	5.80	-	5.80
Gain from change in financial assumptions	(8.27)	-	(8.27)	(4.06)	-	(4.06)
Experience loss/(gains)	2.38	(1.51)	0.87	4.35	(1.21)	3.14
Total amount recognised in other comprehensive income (C)	**(8.64)**	**(1.51)**	**(10.15)**	**6.09**	**(1.21)**	**4.88**
Contributions (D)	-	(24.15)	(24.15)	-	(15.64)	(15.64)
Benefits paid (E)	(11.59)	11.59	-	(8.99)	8.99	-
Transfer In (F)	9.81	(9.81)	-	-	-	-
Closing balance (A+B+C+D+E+F)	**136.29**	**(125.92)**	**10.37**	**120.49**	**(96.18)**	**24.31**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

b) Significant estimates: actuarial assumptions

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

	As at 31 March 2023	As at 31 March 2022
Discount rate	7.25%	6.10%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	22.00%	19.00%
Retirement age	60 years for Senior Manager/DGM & above level 58 years for others	60 years for Senior Manager/DGM & above level 58 years for others

i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

ii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iii) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.62)	6.10	(6.00)	6.61
Salary escalation rate (1% movement)	5.78	(5.44)	6.21	(5.77)
Employee attrition rate (1% movement)	(6.68)	14.41	(8.56)	19.52

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

d) The major categories of plan assets are as follows

	As at 31 March 2023	As at 31 March 2022
Funds managed by Life Insurance Corporation of India	125.92	96.18
	125.92	**96.18**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

The Company makes annual contribution to the Life Insurance Corporation of India ('LIC') of an amount advised by LIC. The Company was not informed by LIC of the investments made by them or the breakup of the plan assets into various type of investments.

e) Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The Company's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities and the Company ensures that it has enough reserves to fund the liability.

f) Maturity profile of defined benefit obligation:

	As at 31 March 2023	As at 31 March 2022
1st following year	29.95	21.87
2nd following year	25.39	18.24
3rd following year	22.38	16.84
4th following year	19.17	15.64
5th following year	17.15	13.56
Thereafter	82.06	88.38

g) The Company expects to contribute a sum of ₹ 26.69 to the plan for the next annual accounting period (31 March 2022: ₹ 40.56).

h) The weighted average duration of the defined benefit obligation at the end of the year is 4 years (31 March 2022: 5 years).

(iii) **Code on Social Security, 2020**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 24: Trade payables (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note below)	29.16	21.00
Total outstanding dues of creditors other than micro enterprises and small enterprises **	1,058.96	883.32
	1,088.12	**904.32**

Trade payables are non-interest bearing and are normally settled on 0-60 days

Information about the Company’s exposure to credit and market risks, and fair value measurement, is included in note 44.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Ageing as at 31 March 2023

	Outstanding for following periods from due date of payment						
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Unbilled	Total
MSME	2.69	-	-	-	25.51	0.96	**29.16**
Others	901.46	5.62	0.35	1.66	97.18	52.69	**1,058.96**
Total	**904.15**	**5.62**	**0.35**	**1.66**	**122.69**	**53.65**	**1,088.12**

Ageing as at 31 March 2022

	Outstanding for following periods from due date of payment						
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not Due	Unbilled	Total
MSME	0.77	-	-	-	20.23	-	**21.00**
Others	724.46	0.53	0.46	1.64	91.68	64.55	**883.32**
Total	**725.23**	**0.53**	**0.46**	**1.64**	**111.91**	**64.55**	**904.32**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the reporting date has been made in the financial statements based on information received and available with the Company. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

	As at 31 March 2023	As at 31 March 2022
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year;		
- Principal (including ₹ 6.56 shown under capital creditors (31 March 2022: ₹ 3.68))	35.72	24.68
- Interest	-	-
ii) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
iii) The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	As at 31 March 2023	As at 31 March 2022
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under Section 23 of the MSMED Act	-	-
	35.72	**24.68**

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

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

Note 25: Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Financial guarantee	1.07	-
Capital creditors***	58.64	28.52
Employee payables**	44.77	62.83
Security deposits	289.76	245.28
Other payable	12.39	3.68
	406.63	**340.31**

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

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

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

Note 26: Current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Compensated absences	30.79	23.83
Gratuity (refer note 23)	2.27	4.38
Other provisions		
Provision for litigations *	112.89	109.03
	145.95	**137.24**

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

Note 27: Income tax assets and liabilities

	As at 31 March 2023	As at 31 March 2022
Liabilities for current tax (net)	**156.37**	156.35
Non-current tax asset	(32.55)	(25.50)
	123.82	**130.85**

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 28: Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Contract liability against payment	**36.03**	44.85
Statutory dues	43.02	24.84
Other liabilities	-	47.06
	79.05	**116.75**

Note 29: Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of goods		
- Finished goods	25,812.97	20,937.11
Sale of services		
- Conversion service charges	13.61	17.74
Other operating revenue		
- Sale of scrap	14.66	9.99
	25,841.24	**20,964.84**

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

Contract price	**26,133.47**	21,191.65
Less: Discounts and incentives	(292.23)	(226.81)
	25,841.24	**20,964.84**
Contract balances		
Trade receivables (refer note 13)	83.11	47.43
Contract liabilities (refer note 28)	36.03	44.85

The contract liabilities are primarily related to advance from customers for sale of milk and milk products, for which revenue is recorded at a point in time. The amount of ₹ 44.85 and ₹ 36.11 included in contract liabilities as at 31 March 2022 and 31 March 2021 have been recognised as revenue for the year ended 31 March 2023 and 31 March 2022.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 30: Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income		
- on deposits	3.36	23.28
- on bonds, Debentures and Commercial papers	94.78	41.15
- on others	26.67	18.16
Amortisation of government grants (refer note (i) below and note 22)	2.91	2.91
Changes in fair value of biological assets (refer note 7)	5.75	2.04
Fair value gain on financial assets measured at fair value through profit and loss	32.81	17.18
Dividend income from non-current investments	-	169.12
Profit on sale/ retirement of property, plant and equipment, net	2.76	-
Profit on sale of investments in mutual funds, net	36.52	24.52
Other non-operating income	33.63	26.90
	239.19	**325.26**

Note (i): Government grants relate to capital investments in property, plant and equipment for creation of cold chain projects. The investment subsidies received from Government towards acquisition of assets are treated as "Government grants" and the amount in proportion to the depreciation is transferred to the statement of profit and loss.

Note 31: Cost of materials consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory of materials at the beginning of the year	527.48	321.38
Add: Purchases during the year	19,914.36	15,586.97
Less: Inventory of materials at the end of the year	649.34	527.48
	19,792.50	**15,380.87**

Note 32: Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Finished goods		
Opening stock	248.83	251.37
Closing stock	(137.77)	(248.83)
	111.06	**2.54**
b) Work-in-progress		
Opening stock	244.97	234.08
Closing stock	(125.86)	(244.97)
	119.11	**(10.89)**
	230.17	**(8.35)**

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 33: Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	987.21	850.88
Employee share based payment expenses (refer notes 18(f) and 19)	-	0.69
Contribution to provident and other funds	69.26	59.59
Expenses related to post-employment defined benefit plans (refer note 23)	20.36	16.29
Staff welfare expenses	9.55	8.83
	1,086.38	**936.28**

Note 34: Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on loan from banks	-	29.07
Interest on lease liabilities (refer note 48)	11.99	11.42
Other borrowing costs	-	24.44
	11.99	**64.93**

Note 35: Depreciation and amortisation expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	511.32	443.92
Amortisation of intangible assets (refer note 6)	39.85	21.43
Depreciation of right-of-use assets (refer note 4(iv)	25.02	23.22
	576.19	**488.57**

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 36: Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	451.45	383.87
Consumption of stores and spare parts	272.23	221.66
Milk procurement expenses	23.35	20.60
Repairs and maintenance:		
- buildings	20.09	19.22
- plant and machinery	17.32	12.68
- other assets	4.80	11.43
Rent (refer note 48)	56.01	49.19
Rates and taxes	63.79	52.11
Communication	11.72	10.28
Printing and stationery	12.74	11.64
Travelling and conveyance	76.04	57.86
Vehicle hire charges	10.95	10.72
Bank charges	7.49	8.35
Legal and professional fees	78.30	63.88
Security expenses	56.26	48.70
Bad debts written off	3.53	2.44
Loss on account of foreign exchange fluctuations, net	-	0.03
Provision/(reversal) for impairment of receivables	6.55	(2.30)
Impairment reversal of doubtful advances	(3.85)	(6.35)
Insurance	23.21	19.42
Loss on sale/ retirement of property, plant and equipment, net	-	1.38
Loss on sale/ discard of biological assets, net	4.38	3.53
Expenditure on Corporate social responsibility (refer note (ii) below)	25.42	19.64
Auditors' remuneration (refer note (i) below)	5.35	5.32
Freight expenses	1,868.37	1,655.14
Advertisement	95.39	65.66
Miscellaneous expenses	43.04	42.97
	3,233.93	**2,794.39**

Note (i) Auditor's remuneration (excluding taxes)

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor	5.15	5.00
For other services		
Certification services	0.08	0.20
For reimbursement of expenses	0.12	0.12
	5.35	**5.32**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note (ii) Details of Corporate social responsibility expenditure

a) Gross amount required to be spent by the Company during the year	25.42	19.64
b) Amount approved by the Board to be spent during the year	25.42	19.64
c) Amount spent during the year (in cash)		
i) Construction/acquisition of any asset	6.27	5.20
ii) On purposes other than (i) above	6.76	10.76
d) Details related to spent/unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	13.03	15.96
iii) Unspent amount in relation to:		
- Ongoing project *	12.39	3.68
- Other than ongoing project	-	-

Details of ongoing project:

Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
With Company	In Separate CSR Unspent account		From Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	3.68	25.42	13.03	3.68	-	12.39

Nature of CSR activities:

Promoting education and skill development initiatives, eradicating hunger, poverty and malnutrition initiatives and rural development initiatives.

* The amount has been provided in the books of account and shown as "Other liabilites" in the Balance sheet. The shortfall at the end of the year is on account of pending contribution towards projects in progress.

Note 37: Tax expense

		For the year ended 31 March 2023	For the year ended 31 March 2022
(a)	**Amounts recognised in profit or loss**		
	Current tax	296.40	385.81
	Deferred tax	(96.98)	(118.57)
		199.42	**267.24**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(b)	**Amounts recognised in other comprehensive income**		
	Deferred tax (refer note 21)	2.55	(1.23)
		2.55	**(1.23)**
	Total tax expenses	**201.97**	**266.01**

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax (A)	**1,149.27**	**1,633.41**
Enacted tax rate in India (B)	25.17%	25.17%
Computed expected tax expenses (C = A*B)	**289.27**	**411.10**
Tax effect of adjustments to reconcile expected tax expense:		
Expenses that are not deductible in determining taxable profit	6.51	5.13
Tax exempt income	-	(42.56)
Adjustment for items taxed at a lower rate	(2.28)	-
Change in rate	-	(106.41)
Taxes of earlier years	(90.35)	-
Others	(1.18)	(1.25)
	201.97	**266.01**

Note: During the previous year, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Note 38: Contingent liabilities

	As at 31 March 2023	As at 31 March 2022
i) Claims against the Company not acknowledged as debts* (net of provision):		
Income-tax matters	5.68	0.99
Indirect tax matters related to assessment of Central Sales Tax and Customs on import of machinery	3.69	3.69
**ii) Guarantees ** **	300.00	-

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

** Corporate guarantee has been extended to wholly owned subsidiary for availing loan from banks for which balance outstanding as at year end is ₹ 180.00 in the books of the subsidiary.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defence of the proceedings and accordingly, no further provision is required.

ii) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019 and has made a provision for it in the books of account which was subsequently paid. In respect of the earlier periods/ years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

Note 39: Commitments

Capital commitments:

		As at 31 March 2023	As at 31 March 2022
(i)	Estimated amount of contracts remaining to be executed on capital account (net of advances)	24.69	137.42

Note 40: Earnings per share ('EPS')

	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings		
Profit attributable to equity shareholders (A)	949.85	1,366.17
Weighted average number of equity shares outstanding during the year (B)	59,492,735	59,211,081
Effect of potential equity shares on employee stock options outstanding	476,420	513,468
Weighted average number of potential equity shares outstanding during the year for the purpose of computing Diluted Earnings Per Share (C)	59,969,155	59,724,549
Basic earnings per share of face value of ₹10 (A/B)	15.97	23.07
Diluted earnings per share of face value of ₹10 (A/C)	15.84	22.87

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 41: Related party transactions

As per the Indian Accounting Standards - "Related Party Disclosures" (Ind AS 24) the following disclosures are made:

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

Nature of relationship	Name of the related party
Subsidiaries (including step down subsidiaries)	Dodla Holdings Pte. Limited
	Orgafeed Private Limited
	Lakeside Dairy Limited
	Dodla Dairy Kenya Limited
	Country Delight Dairy Limited (w.e.f 22 November 2022)
Associate	Global VetMed Concepts India Private Limited ('GVC')
Key management personnel ('KMP')	Mr. Sunil Reddy, Managing Director
	Mr. Sesha Reddy, Chairman
	Mr. B.V.K. Reddy, Chief Executive Officer (CEO)
	Mr. Anjaneyulu Ganji, Chief Financial Officer (CFO) (w.e.f. 25 January 2021)
	Mr. A. Madhusudhana Reddy, Whole-time Director
	Mr. Raja Rathinam, Independent Director
	Mr. Rampraveen Swaminathan, Independent Director
	Ms. Ponnavolu Divya, Independent Director (till 31 December 2021)
	Mr. Tallam Puranam Raman, Independent Director
	Mr. Akshay Tanna, Nominee Director
	Ms. Vinoda Kailas, Independent Director (w.e.f. 20 January 2022)
	Mrs. Ruchita Malpani, Company Secretary and Compliance officer (till 31 August 2021)
	Mr. Surya Prakash Mungelkar,Company Secretary and Compliance officer (w.e.f. 22 October 2021)
Relatives of KMP	Mrs. Surekha Reddy, Sister of Mr. Sunil Reddy
	Mrs. Deepa Reddy, Wife of Mr. Sunil Reddy
	Ms. Shilpa Reddy, Daughter of Mr. Sunil Reddy
	Ms. Girija Reddy, Mother of Mr. Sunil Reddy
	Mr. Subba Reddy, Brother of Mr. Sunil Reddy
Enterprise over which KMP have significant influence	Dodla Dairy, Vinjimuru
	Surekha Milk Chilling Centre
	Tropical Bovine Genetics Private Limited
	Hanslot Pile Foundation (till 09 September 2021)
	Mylktree Consultants LLP
	Dodla Family Trust
	Dodla Nutri Feeds LLP
	Dodla Foundation

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Lease rent paid		
- Dodla Dairy, Vinjimuru	1.20	1.20
- Surekha Milk Chilling Centre	1.06	1.00
- Hanslot Pile Foundation	-	0.33
Rent paid		
- Dodla Nutri Feeds LLP	0.11	-
Sale of Raw material		
- Dodla Nutri Feeds LLP	0.41	0.13
Remuneration paid to Key Managerial Personnel (refer note b)		
- Short-term employee benefits	79.12	71.54
- Post employment benefits	4.05	3.58
Sitting fees		
- Mr. Rampraveen Swaminathan	0.80	1.20
- Ms. Ponnavolu Divya	-	0.30
- Mr. Tallam Puranam Raman	0.60	0.60
- Ms. Vinoda Kailas	0.35	0.10
- Mr. Raja Rathinam	0.55	0.60
Purchase of raw material		
- GVC	8.12	9.57
Consultancy income		
- Orgafeed Private Limited	0.66	0.58
- Dodla Dairy Kenya Limited	0.43	0.50
- Lakeside Dairy Limited	0.48	1.42
- Dodla Holdings Pte. Ltd	0.07	0.06
Dividend received		
- Dodla Holdings Pte. Limited	-	169.12
Payment made on behalf of		
- GVC	4.27	3.22
- Orgafeed Private Limited	0.05	0.01
- Lakeside Dairy Limited	0.70	0.16
- Dodla Dairy Kenya Limited	-	0.57
Consultancy expense		
- Mr. Sesha Reddy	3.90	3.90
- Ms. Shilpa Reddy	0.90	0.90
Unsecured loans repaid		
- Orgafeed Private Limited	206.50	16.50

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Lease rent received		
- Orgafeed Private Limited	0.15	0.14
Vehicle rent received		
- Orgafeed Private Limited	0.08	-
Interest income		
- Orgafeed Private Limited	23.76	16.09
Investment made in the shares		
- Shares subscribed in Country Delight Dairy Limited	0.67	-
- Shares subscribed in Orgafeed Private Limited (including financial guarantee given) *	55.99	-
Unsecured loans given		
- Orgafeed Private Limited	312.50	-
Purchase of goods		
- Tropical Bovine Genetics Private Limited	0.07	0.99
- Orgafeed Private Limited	566.81	417.83
Corporate social responsibility expenditure incurred		
- Dodla Foundation	16.17	6.40

(iii) Balances with related parties:

Particulars	As at 31 March 2023	As at 31 March 2022
Other current and non-current assets		
- GVC – Other advances	31.22	35.04
- GVC – Provision for doubtful advances	(31.22)	(35.04)
- Dodla Nutri Feeds LLP	0.05	0.02
- Orgafeed Private Limited – Accrued income	0.66	0.58
- Dodla Dairy Kenya Limited – Accrued income	0.43	0.50
- Lakeside Dairy Limited – Accrued income	0.48	1.42
- Dodla Holdings Pte. Ltd – Accrued income	0.07	0.06
- Orgafeed Private Limited – Loan	276.51	170.51
- Mr. A. Madhusudhana Reddy – Advance given against salary, net	0.21	-
- Lakeside Dairy Limited – Other advances	-	0.02
- Dodla Dairy Kenya Limited – Other advances	-	0.43
Other financial liabilities and trade payables		
- Tropical Bovine Genetics Private Limited	0.01	0.06
- Dodla Dairy, Vinjimuru	0.10	0.10
- Hanslot Pile Foundation	-	0.02
- Surekha Milk Chilling Centre	0.09	0.08
- Orgafeed Private Limited	21.09	7.44
- Ms. Shilpa Reddy – Consultancy fees payable	0.07	-

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Notes:

a. As the future liabilities for gratuity and leave encashment is provided on an actuarial basis and payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above. Share-based compensation expense allocable to key management personnel is Nil (31 March 2022: ₹ 0.69) is also not included in the remuneration disclosed above.

b. All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

* During the year ended 31 March 2023, the Company has extended corporate guarantee to its wholly owned subsidiary, Orgafeed Private Limited amounting to ₹ 300.00 for availing loan from banks for which balance outstanding as at year ended 31 March 2023 is ₹ 180.00 in the books of the subsidiary.

Note 42: Segment reporting

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segment are presented in these standalone financial statements.

Note 43: Loans or advances to specified persons

There are no Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Note 44: Financial instruments - fair values and risk management

Accounting classification and fair values

	As at 31 March 2023		As at 31 March 2022		Fair value level
	Amortised cost	FVTPL	Amortised cost	FVTPL	
Financial assets					
Investments in mutual funds (refer note (a) below)	-	1,593.49	-	473.99	Level 1
Investment in debentures, bonds and commercial papers	1,006.83	-	1,369.51	-	-
Trade receivables	83.11	-	47.43	-	-
Cash and cash equivalents	261.15	-	553.28	-	-
Bank balances other than above	53.27	-	50.34	-	-
Non-current loan receivable	254.51	-	143.01	-	-
Current loan receivable	22.00	-	32.27	-	-
Other non-current financial assets	169.42	-	138.66	-	-
Other current financial assets	17.42	-	38.94	-	-
Total financial assets	**1,867.71**	**1,593.49**	**2,373.44**	**473.99**	-
Financial liabilities					
Lease liabilities	137.73	-	128.02	-	-
Trade payables	1,088.12	-	904.32	-	-
Other financial liabilities	411.51	-	340.31	-	-
Total financial liabilities	**1,637.36**	-	**1,372.65**	-	-

Measurement of fair values

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature.

(a) The fair valuation of investments in mutual funds is classified as level 1 in the fair value hierarchy as they are determined based on their quoted prices.

Fair value method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A. Financial assets

1. The Company has not disclosed the fair values for trade receivables, cash and cash equivalents including other bank balances, loans receivable, and other financial assets because the carrying amounts are a reasonable approximation of the fair values.
2. Investment in mutual funds: Fair value of quoted mutual funds units is based on quoted market price at the reporting date.

B. Financial liabilities

1. Lease liabilities: The fair values of the Company's lease liabilities are determined by discounting the future cashflows at discount rate that reflects the incremental borrowing rate of the Company. The Company has not disclosed the fair value because its carrying amount is a reasonable approximation of its fair value.
2. Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the carrying values.

Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

Credit risk is managed by Head of Sales of the Company. Usually, the business is carried on cash and carry basis. However, for institutional customers credit is provided after a detailed background check and credit analysis.

The accounts receivable team along with sales team will evaluate all new customers to determine payment terms and methods to be required, and what level of credit will be established. The accounts receivable team and sales team will also periodically review and re-evaluate payment terms and credit lines of existing customers and to support new customer requirements, and do manage risk as financial and business conditions change.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Majority of milk customers are un-registered and multi brand sellers. Billing transaction takes place on all of the 365 days in a year. The credit allowed is monitored as per the approved limits.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The default in collection as a percentage to total receivable is low. Refer below for the expected credit loss for trade receivables.

Reconciliation of expected credit loss- trade receivables

	Amount
Expected credit loss on 01 April 2021	**(2.33)**
Changes in loss allowance	2.30
Expected credit loss on 31 March 2022	**(0.03)**
Changes in loss allowance	(6.52)
Expected credit loss on 31 March 2023	**(6.55)**

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, process and policies related to such risks are overseen by the senior management.

As of March 31, 2023 and March 31, 2022, the Company had unutilized credit limits from banks of ₹ 1,225.00 and ₹ 1,225.00 respectively. The returns/ statements filed by the Company with such banks are in agreement with the books of accounts of the Company for the year ended 31 March 2023.

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	As at 31 March 2023				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	1,088.12	1,088.12	1,088.12	-	-
Lease liabilities	137.73	190.84	32.76	27.80	130.28
Other financial liabilities	411.51	411.51	406.63	1.14	3.74
	1,637.36	**1,690.47**	**1,527.51**	**28.94**	**134.02**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Particulars	As at 31 March 2022				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	904.32	904.32	904.32	-	-
Lease liabilities	128.02	183.30	29.47	26.52	127.31
Other financial liabilities	340.31	340.31	340.31	-	-
	1,372.65	**1,427.93**	**1,274.10**	**26.52**	**127.31**

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest risk

Interest rate risk is the risk that the fair value or future cash flow oa a financial instrument will fluctuate because of changes in market interest rates. There are no borrowings in the financial statements. Hence, there is no concentration of interest rate risk.

Currency risk

The Company has no material foreign exchange exposure as at 31 March 2022 and 31 March 2023.

Note 45: Capital management

(a) Risk management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividends

No interim dividend has been declared by the Company during the current and previous financial year. Further, Board of Directors of the Company has not propopsed any final dividend for the current and previous financial year.

Note 46: No material foreseeable losses was incurred for any long-term contract including derivative contracts during the current and previous financial year.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 47: Disclosures pertaining to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(a) The Company has made investment in the following Companies:

	As at 31 March 2022	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2023
Investment in equity instruments					
Orgafeed Private Limited (excluding financial guarantee)	30.00	50.00	-	-	80.00
Global VetMed Concepts India Private Limited *	-	-	-	-	-
Country Delight Dairy Limited	-	0.67	-	-	0.67
Dodla Holdings Pte. Limited	407.84	-	-	-	407.84

	As at 31 March 2021	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2022
Investment in equity instruments					
Orgafeed Private Limited	30.00	-	-	-	30.00
Global VetMed Concepts India Private Limited *	-	-	-	-	-
Dodla Holdings Pte. Limited	407.84	-	-	-	407.84

* The gross carrying value of investment amounting to ₹ 38.67 as at 31 March 2023 and 31 March 2022 has been fully impaired.

(b) The Company has given unsecured interest bearing loans to its following subsidiary:

Pursuant to incorporation of a subsidiary Orgafeed Private Limited in the earlier years, the Board has approved an unsecured loan to Orgafeed Private Limited, carrying an interest rate of 9% p.a. As per the agreement, repayment of the loan had commenced from the financial year 2020-21 and is repayable in next 31 equal quarterly installments. The loan was given for general business purposes.

During the year, the Board has approved a fresh unsecured loan to Orgafeed Private Limited, carrying an interest rate of 9% p.a. As per the agreement, repayment of the loan will commence from the financial year 2024-25 and will be repayable in next 32 equal quarterly installments. The loan was given for general business purposes.

	As at 31 March 2022	Given during the year	Repaid during the year	As at 31 March 2023	Maximum balance outstanding during the year
Orgafeed Private Limited	170.51	312.50	(206.50)	276.51	455.51

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	As at 31 March 2021	Given during the year	Repaid during the year	As at 31 March 2022	Maximum balance outstanding during the year
Orgafeed Private Limited	187.01	-	(16.50)	170.51	187.01

(C) The Company has provided guarantees to its following subsidiary:

	As at 31 March 2022	Given during the year	Repaid during the year	As at 31 March 2023	Maximum balance outstanding during the year
Orgafeed Private Limited	-	300.00	-	300.00	300.00

Note 48: Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	128.02	114.99
Additions	35.89	35.21
Interest expenses	11.99	11.42
Deletions	(4.86)	(2.91)
Payment of lease liabilities	(33.31)	(30.69)
Balance at the end	**137.73**	**128.02**

As at balance sheet date, the Company is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

Maturity analysis – contractual undiscounted cash flows	As at 31 March 2023	As at 31 March 2022
Less than one year	32.76	29.47
One to two years	27.80	26.52
Two to three years	23.37	21.43
Three to four years	18.95	18.75
Four to five years	16.61	15.35
More than five years	71.35	71.78
Total	**190.84**	**183.30**

Lease liabilities included in the balance sheet

Current	34.41	29.70
Non-current	103.32	98.32
Total	**137.73**	**128.02**

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken certain rented premises on lease with contract terms within one year and leases of low value. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company has incurred following expenses relating to short-term leases for which the recognition exemption has been applied. (Refer note 36).

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on Right-of-use assets (refer note 4(iv))	25.02	23.22
Interest on lease liabilities (refer note 33)	11.99	11.42
Expenses relating to short term leases and low value leases (refer note 36)	56.01	49.19
	93.02	**83.83**
Amounts recognised in Statement of Cashflows		
Payment of lease liabilities	33.31	30.69
	33.31	**30.69**

Note 49: Analytical Ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reason for variance*
Current Ratio	Current Assets	Current Liabilities	1.84	1.88	-2.12%	NA
Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.02	0.02	-4.08%	NA
Debt service coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations Interest & other adjustments like gain on disposal of property, plant and equipment, etc	Debt service = Interest & Lease Payments	12.95	13.03	-0.61%	NA
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	11.37%	19.63%	-42.08%	Change is on account of decrease in profitability due to increase in milk procurement prices

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reason for variance*
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	19.48	15.89	22.64%	NA
Trade Receivables turonver Ratio	Net sales = Total sales - sales return	Average Trade Receivables	395.93	435.87	-9.16%	NA
Trade payables turonver Ratio	Net purchases = Gross purchases - purchase returns	Average Trade Payables	18.30	18.14	0.88%	NA
Net Capital turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	16.10	14.14	13.86%	NA
Net profit Ratio	Net Profit	Net sales = Total sales - sales return	3.68%	6.52%	-43.59%	Change is on account of decrease in profitability due to increase in milk procurement prices
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	12.71%	20.55%	-38.16%	Change is on account of decrease in profitability due to increase in milk procurement prices
Return on investment (Mutual Funds)	Realised / Unrealised gain on investment	Purchase cost	3.53%	4.55%	-22.32%	NA
Return on investment (Bonds and Debentures)	Realised / Unrealised gain on investment	Purchase cost	7.98%	6.01%	32.75%	Change is on account of increase in investment in high yield bonds during the year

* Reason for variance is given for ratios having % change more than 25%.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 50: Benami property

There are no proceeding initiated or pending against the Company as at 31 March 2023, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

Note 51: Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

Note 52: Business combinations

Sri Krishna Milks Private Limited (SKM)

On 11 April 2022, the Company completed the acquisition of a Milk and Milk Products Division of Sri Krishna Milks Private Limited, having a strong presence in the dairy market in the state of Karnataka through slump purchase agreement on a going concern basis at a consideration of ₹ 507.73. 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 Company.

Assets acquired and liabilities assumed:

Components	Purchase price allocated
Property, plant and equipment	310.55
Intangible assets	105.66
Other net assets	17.52
Total	**433.73**
Goodwill	74.00
Total purchase price	**507.73**

The intangible assets are amortised over a period of 5 years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The goodwill amounting to ₹ 74.00 is attributable to the workforce, high profitability of the acquired business, the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. Goodwill arising on the acquisition is not deductible for tax purposes. From the date of acquisition, SKM has contributed revenues amounting to ₹ 666.57 and loss amounting to ₹ (45.80) to the Company's performance for the year ended March 31, 2023. If the combination had taken place at the beginning of year ended 31 March 2023, the Company's revenue from continuing operations would have been increased by ₹ 23.00 and the profit before tax from continuing operations would have been decreased by ₹ (4.00).

Note 53: No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Standalone Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 54: Struck off companies

Balances outstanding with nature of transaction with struck off companies as per section 248 of the Companies Act, 2013 :

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any
		As at March 31, 2023	As at March 31, 2022	
Multitech Space System Industrial Automation	Trade Payables	Nil	Nil	None

Note 55: Undisclosed incomes

The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 56: Previous year figures have been regrouped / reclassified, where necessary, to confirm to the current years' classification.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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

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

Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Independent Auditors' Report

To the Members of Dodla Dairy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Dodla Dairy Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and its associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 and its associate as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Goodwill recognised *(as described in note 3(d) and note 6 of the consolidated financial statements)*	
The carrying value of Goodwill of the Holding Company aggregates to Rs. 433.37 million as at March 31, 2023. Goodwill is annually tested for impairment. The Holding Company performs such assessment of Goodwill for each cash generating unit (CGU) to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been determined using discounted cash flow models. These models use several key assumptions, including estimates of future sales volumes, prices, operational costs, capex, terminal value growth rates and the discount rate. Considering the inherent uncertainty, complexity and judgment involved and the significance of the value of the asset, impairment assessment of Goodwill has been considered as a key audit matter.	Our audit procedures included and were not limited to the following: • Assessed the appropriateness of accounting policy for impairment testing of goodwill with the relevant accounting standards. • Evaluated the design and implementation of key internal financial controls of the Holding Company with respect to the impairment assessment of Goodwill and tested operating effectiveness of such controls. • Gained an understanding of and evaluated the methodology used by management to prepare its cash flow forecasts and the appropriateness of the assumptions applied. In making this assessment, we also evaluated the competence, professional qualification, objectivity and independence of the Holding Company's personnel involved in the process. • Tested budgeting procedures upon which the cash flow forecasts were based. We have also compared the actual past performances with the budgeted figures. • Involved our internal subject matter specialists to evaluate the appropriateness of key assumptions and methodology used by the Holding Company, in particular, those relating to the forecast of the discount rate and terminal growth rate etc. • Performed sensitivity analysis of the key assumptions (growth rates, sales forecast, etc.) used to determine which changes to assumptions would change the outcome of impairment assessment; and tested the arithmetical accuracy of the models. • Assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities relating to impairment of Goodwill.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, 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.

Those 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 Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 management.

- Conclude on the appropriateness of management's 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 5 subsidiaries , whose financial statements include total assets of Rs 2,380.43 million as at March 31, 2023, and total revenues of Rs. 3,640.51 million and net cash outflows of Rs. 56.36 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

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

(b) The consolidated financial statements of the Company for the year ended March 31, 2022, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 16, 2022.

(c) The consolidated financial statements also include the Group's share of net profit/loss of Rs. Nil for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements and other financial information are not material to the Group.

(d) Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company and its associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and its associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company and its associate company, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, the managerial remuneration for the year ended March 31, 2023 has been paid by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (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, as amended, 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 the other auditors on separate financial statements as also the other financial information of the subsidiary and associate, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated financial statements – Refer note 38 to the consolidated financial statements;

ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary and its associate, incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary and associate to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary and associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company, its subsidiary and associate company, incorporated in India.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 01, 2023 for the Holding Company, its subsidiary and its associate company incorporated in India, hence reporting under this clause is not applicable.

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership No.: 102328
UDIN: 23102328BGSBMR3679

Place: Hyderabad
Date: May 20, 2023

Annexure 1 referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the consolidated financial statements of Dodla Dairy Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

3(xxi)	There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. The report of an associate included in the Consolidated Financial Statements has not been issued by its auditor till the date of our auditor's report.

Sno.	Name of associate	Corporate Identification Number
1	GLOBAL VETMED CONCEPTS INDIA PRIVATE LIMITED	U15400TG2009PTC063052

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership No.: 102328
UDIN: 23102328BGSBMR3679

Place: Hyderabad
Date: May 20, 2023

Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of Dodla Dairy Limited

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 Dodla Dairy Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the 1 subsidiary, which are companies incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership No.: 102328
UDIN: 23102328BGSBMR3679

Place: Hyderabad
Date: May 20, 2023

Consolidated Balance Sheet as at 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,426.35	5,007.60
Capital work-in-progress	5	581.24	40.96
Goodwill	6	515.70	441.70
Other intangible assets	6	114.58	43.13
Right-of-use assets	4(iii)	162.74	144.39
Biological assets other than bearer plants			
(i) Matured biological assets	7	11.15	16.02
(ii) Immatured biological assets	7	4.66	5.94
Financial assets			
(i) Investments	8	699.07	558.47
(ii) Loans	9	-	-
(iii) Other financial assets	16	141.21	140.71
Non-current tax asset	27	32.55	25.50
Deferred tax assets (net)	21	-	0.34
Other non-current assets	10	85.50	444.14
Total non-current assets		**7,774.75**	**6,868.90**
Current assets			
Inventories	11	1,199.19	1,209.85
Financial assets			
(i) Investments	12	1,901.25	1,285.03
(ii) Trade receivables	13	86.62	47.65
(iii) Cash and cash equivalent	14 (a)	750.46	1,098.94
(iv) Bank balances other than (iii) above	14 (b)	495.78	219.55
(v) Loans	15	-	4.77
(vi) Other financial assets	16	53.04	38.24
Other current assets	17	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	18	594.93	594.93
Other equity	19	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	20	180.00	-
(ii) Lease liabilities	47	107.48	98.32
Provisions	23	99.43	108.75
Deferred tax liabilities (net)	21	229.75	345.93
Government grants	22	19.74	22.64
Total non-current liabilities		**636.40**	**575.64**
Current liabilities			
Financial liabilities			
(i) Lease liabilities	47	35.78	30.41
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	24	29.68	21.02
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1,239.31	1,008.07
(iii) Other financial liabilities	25	440.36	345.47
Other current liabilities	28	86.28	132.19
Government grants	22	2.91	2.91
Provisions	26	146.10	137.24
Liabilities for current tax (net)	27	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**

Significant accounting policies 3

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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

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

Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	29	28,120.29	22,433.51
Other income	30	229.51	137.03
Total income		**28,349.80**	**22,570.54**
Expenses			
Cost of materials consumed	31	21,179.54	16,273.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	229.34	(12.05)
Employee benefits expense	33	1,191.47	1,024.16
Finance costs	34	12.10	65.18
Depreciation and amortisation expense	35	612.27	523.53
Other expenses	36	3,606.72	3,040.38
Total expenses		**26,831.44**	**20,914.94**
Profit before share of equity accounted investee and tax		**1,518.36**	**1,655.60**
Share of profit of equity accounted investee (net of tax)		-	-
Profit before tax		**1,518.36**	**1,655.60**
Tax expense			
- Current tax	37	413.91	434.61
- Deferred tax	37	(118.39)	(107.14)
Total tax expense		**295.52**	**327.47**
Profit for the year (A)		**1,222.84**	**1,328.13**
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit and loss			
Exchange differences on translating the financial statements of foreign operations		60.27	58.58
Items that will be reclassified subsequently to the statement of profit and loss			
Remeasurement gain/(loss) on the net defined benefit obligation		10.16	(4.88)
Income tax relating to these items	37	(2.55)	1.23
Other comprehensive income for the year, net of income tax (B)		**67.88**	**54.93**
Total comprehensive income for the year (A+B)		**1,290.72**	**1,383.06**
Profit for the year attributable to:			
Shareholders of the Company		1,222.84	1,328.13
Non-controlling interest		-	-
		1,222.84	**1,328.13**
Other comprehensive income for the year attributable to:			
Shareholders of the Company		67.88	54.93
Non-controlling interest		-	-
		67.88	**54.93**
Total comprehensive income for the year attributable to:			
Shareholders of the Company		1,290.72	1,383.06
Non-controlling interest		-	-
		1,290.72	**1,383.06**
Earnings per share (nominal value of equity shares of ₹ 10 each, fully paid-up)	40		
Basic [in ₹]		20.55	22.43
Diluted [in ₹]		20.39	22.24
Weighted average number of equity shares used in computing earnings per share:			
-Basic		59,492,735	59,211,081
-Diluted		59,969,155	59,724,549

Significant accounting policies 3

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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

Sd/-
B.V.K. Reddy
Chief Executive Officer
Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer
Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Particulars	Equity share capital	Other equity						Total equity attributable to shareholders of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus								
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve	Share options outstanding account	Retained earnings			
Balance as at 01 April 2021	**583.25**	**12.00**	**1,523.72**	**50.77**	**(2.25)**	**29.98**	**4,382.23**	**6,579.70**	**-**	**6,579.70**
Issue of shares	11.68	-	488.32	-	-	-	-	500.00	-	500.00
Share issue expenses	-	-	(31.84)	-	-	-	-	(31.84)	-	(31.84)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	-	1,328.13	1,328.13	-	1,328.13
Employee share based payment expense	-	-	-	-	-	0.69	-	0.69	-	0.69
Exchange differences in translating financial statements of foreign operations	-	-	-	-	58.58	-	-	58.58	-	58.58
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	-	(3.65)	(3.65)	-	(3.65)
Transfer to retained earnings	-	-	-	(50.77)	-	-	50.77	-	-	-
Balance as at 31 March 2022	**594.93**	**12.00**	**1,980.20**	**-**	**56.33**	**30.67**	**5,757.48**	**8,431.61**	**-**	**8,431.61**

Particulars	Equity share capital	Other equity						Total equity attributable to shareholders of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus								
		Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve	Share options outstanding account	Retained earnings			
Balance as at 01 April 2022	**594.93**	**12.00**	**1,980.20**	**-**	**56.33**	**30.67**	**5,757.48**	**8,431.61**	**-**	**8,431.61**
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	-	1,222.84	1,222.84	-	1,222.84
Exchange differences in translating financial statements of foreign operations	-	-	-	-	60.27	-	-	60.27	-	60.27
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	-	7.61	7.61	-	7.61
Balance as at 31 March 2023	**594.93**	**12.00**	**1,980.20**	**-**	**116.60**	**30.67**	**6,987.93**	**9,722.33**	**-**	**9,722.33**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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

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

Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
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)**

	For the year ended 31 March 2023	For the year ended 31 March 2022
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 differneces 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**

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

	As at 31 March 2023	As at 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**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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

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

Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

1. Corporate information

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, India. These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the 'Group') and the Group's interest in associate. The Group is in the business of processing/ production of milk and production of milk products.

The Company's shares are listed on the BSE Limited and National Stock Exchange of India Limited.

2. Basis of preparation

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 20 May 2023.

Details of the Group's accounting policies are included in note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian Rupees have been rounded-off to two decimal places to the nearest lacs except share data or as otherwise stated.

C. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Investment in mutual funds	Fair value
Biological assets	Fair value less cost to sell
Share based payment	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation

D. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on

the amounts recognised in the standalone financial statements is included in the following notes:

- Note 47 - leases: determination of lease term of contracts with renewal and termination options – Group as a lessee

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year financial statements is included in the following notes:

- Note 7 - determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 23 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 38 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment
- Note 6 - impairment of goodwill
- Note 44 - impairment of financial assets
- Note 47 - lease liabilities - measurement of incremental borrowing costs.
- Note 48 – determination of purchase price allocation and valuation of intangible assets

E. Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability falls into the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 7 - Biological assets other than bearer plants
- Note 44 - Financial instruments
- Note 18(f) - Share based payment arrangement

F. Current versus non-current classification

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

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

- It is expected to be realised or intended to be sold or consumed in the Company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Apart from the above, current assets also include the current portion of non-current financial assets. All other assets are classified as non-current.

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the date.

Apart from the above, current liabilities also include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle - The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

G. Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognised from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(ii) *Non - controlling interests (NCI)*

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

(iv) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost which includes transaction costs and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

(v) *Transactions eliminated on consolidation*

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) *Subsidiaries and associate companies considered in the consolidated financial statements:*

Name of the Company	Country of incorporation	Ownership interest (in %)	Ownership interest (in %)
		As at 31 March 2023	As at 31 March 2022
Subsidiary companies:			
Dodla Holdings Pte Limited	Singapore	100.00	100.00
Lakeside Dairy Limited	Uganda	100.00	100.00
Dodla Dairy Kenya Limited	Kenya	99.90	99.90
Country Delight Dairy Limited	Kenya	100.00	-
Orgafeed Private Limited	India	99.99	99.99
Associates:			
Global VetMed Concepts Private Limited	India	47.94	47.94

(vii) *Principles of consolidation*

These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-company transactions.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

3. Significant accounting policies

(a) Property, plant and equipment

i. *Recognition and measurement*

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

On transition to Ind AS, the Group had elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. *Depreciation*

Depreciation on tangible assets (other than for those class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful lives prescribed and in the manner laid down under Schedule II to the Companies Act, 2013 and additions and deletions are restricted to the period of use. If the Management's estimate of the useful life of a property, plant and equipment is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of property, platn and equipment has been provided at the rates based on the following useful lives ofproperty, plant and equipment as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013:

Asset *	Useful life
Laboratory equipment	3 years
Temporary Structures	1 year
Aluminium Milk Cans	10 years
Building – RCC framework	30 years
Freezers and Coolers	3 years

* For these class of assets, the Management believes, based on technical evaluation carried out by them internally, that the useful life as given above best represent the period over which the Management expects to use these assets. Hence, the useful life for these assets is different from the useful life as in Schedule II of the Act.

Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Depreciation on additions/ disposals is provided on a pro-rata basis, i.e., from/ upto the date on which asset is ready for use/ disposed off.

iv. *Capital work-in-progress*

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

(b) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over their estimated useful life on a straight-line basis as follows:

Asset	Useful life
Computer software	3 years
Brands	5 years
Distribution network	5 years
Non-compete arrangements	5 years

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in 'other income' of consolidated statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Group had elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(c) Biological assets

Biological assets i.e. living animals, are measured at fair value less cost to sell. Costs to sell include the minimal transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred. The animals reared from conception (calf) and heifers are classified as 'immatured biological assets' until the animals become productive. All the productive animals are classified as "matured biological assets".

(d) Impairment

i. *Financial assets*

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

ii. *Non -financial assets*

The Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash infows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured as the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(e) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Group's lease asset classes primarily consist of leases for buildings, leasehold land and plant and machinery.

ii. *Lease Liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(f) Inventories

Inventories comprise of raw materials and packing materials, work-in-progress, finished goods, stock-in-trade and stores and spares and are carried at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in progress is determined with reference to the selling prices of related finished products. The comparison of cost and net realisable value is made on an item-by-item basis.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Goods-in-transit are valued at cost which represents the costs incurred upto the stage at which the goods are in-transit.

(g) Financial instruments

i. *Recognition and initial measurement*

The Group initially recognises financial assets (excluding trade receivables) and financial liabilities when it becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated.

ii. *Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Investment in subsidiary and associate

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associate, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

iii. *Derecognition*

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(h) Revenue recognition

The Group is engaged in sale of milk and milk products. Revenue from the sale of goods is recognised when control of the goods has transferred to the buyer which coincides with the time when the goods are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of goods. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts collected on behalf of third parties. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Dividend income and interest income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(i) Earnings per share (EPS)

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

(j) Business Combination

In accordance with Ind AS 103, the Group accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations (for common control business combinations) arising from transfers of interest in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Group is transferred to the capital reserve or to the accumulated balance of profit and loss.

(k) Foreign currencies

i. *Foreign currency transactions*

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rates, are recognised in profit or loss as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

ii. *Foreign currency operations*

The assets and liabilities of foreign subsidiaries are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign subsidiaries are translated into functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

(l) Government grants

Grants from the government are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current/ current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(m) Income taxes:

Income-tax expense for the year comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets, the current tax assets and liabilities (on a year-on-year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

(n) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

(o) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i. *Contingent liabilities*

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

ii. *Contingent assets*

Contingent assets has to be recognized in the standalone financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

iii. *Onerous contracts*

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(p) Employee benefits

i. *Short-term employee benefits*

Short-term employee benefits obligation are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. *Share based payment transactions*

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in profit or loss in the periods during which the related services are rendered by employees.

iv. *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. *Other long-term benefits*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of independent actuarial obligation using the projected unit credit method.

(q) Investments in associates

Investments in associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

(r) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

(s) Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as IPO expenses recoverable under other current assets.

(t) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Where bank overdrafts/ cash credits which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. For the purposes of cash flow, bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(u) Cash flow statement

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

(v) Recent accounting pronouncements

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

There is no material impact on the Group's financial statements due to these amendments.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

There is no material impact on the Group's financial statements due to these amendments.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments had no impact on the financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application).

There is no material impact on the Group's financial statements due to these amendments.

(v) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

There is no material impact on the Group's financial statements due to these amendments.

(w) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The amendments are not expected to have a material impact on the Group's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Group's financial statements.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 4: Property, plant and equipment and capital work-in-progress

Description	Cost or deemed cost						Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2022	Acquisitions through business combination	Additions	Disposals	Foreign currency translation adjustment	As at 31 March 2023	As at 01 April 2022	Depreciation for the year	Disposals	Foreign currency translation adjustment	As at 31 March 2023	As at 31 March 2023
Freehold land	714.70	18.24	33.26	-	-	766.20	-	-	-	-	-	766.20
Buildings	1,667.20	84.50	131.25	3.39	2.42	1,881.98	260.50	72.20	1.09	0.60	332.21	1,549.77
Plant and equipments	3,484.20	197.35	375.09	42.08	8.11	4,022.67	1,019.55	321.22	16.67	(7.30)	1,316.80	2,705.87
Electrical installations	130.87	2.55	10.86	1.59	-	142.69	62.61	13.99	0.61	-	75.99	66.70
Electronic data processors	55.85	0.11	12.00	3.63	(0.06)	64.27	42.40	7.70	3.61	(0.05)	46.44	17.83
Office equipments	48.19	0.44	6.15	0.78	(0.02)	53.98	28.52	6.96	0.75	(0.02)	34.71	19.27
Furniture and fixtures	139.06	4.28	14.58	0.58	(0.03)	157.31	54.43	16.84	0.46	(0.03)	70.78	86.53
Laboratory equipments	740.35	1.03	63.33	41.11	0.11	763.71	565.47	95.91	40.72	0.10	620.76	142.95
Leasehold Improvements	40.95	-	11.21	0.94	-	51.22	5.51	4.29	0.34	-	9.46	41.76
Vehicles	52.06	2.05	10.34	0.07	(0.51)	63.87	26.84	7.96	(0.25)	(0.65)	34.40	29.47
Total	**7,073.43**	**310.55**	**668.07**	**94.17**	**10.02**	**7,967.90**	**2,065.83**	**547.07**	**64.00**	**(7.35)**	**2,541.55**	**5,426.35**

Description	Cost or deemed cost						Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2021	Acquisitions through business combination	Additions	Disposals	Foreign currency translation adjustment	As at 31 March 2022	As at 01 April 2021	Depreciation for the year	Disposals	Foreign currency translation adjustment	As at 31 March 2022	As at 31 March 2022
Freehold land	691.10	-	23.60	-	-	714.70	-	-	-	-	-	714.70
Buildings	1,568.35	-	94.03	0.66	5.48	1,667.20	195.06	65.11	0.66	0.99	260.50	1,406.70
Plant and equipments	3,131.75	-	346.67	14.70	20.48	3,484.20	760.10	265.04	10.67	5.08	1,019.55	2,464.65
Electrical installations	122.44	-	9.61	1.18	-	130.87	50.59	13.07	1.05	-	62.61	68.26
Electronic data processors	48.65	-	8.89	1.68	(0.01)	55.85	38.01	6.08	1.68	(0.01)	42.40	13.45
Office equipments	41.56	-	8.24	1.63	0.02	48.19	22.76	7.33	1.58	0.01	28.52	19.67
Furniture and fixtures	126.11	-	13.69	0.78	0.04	139.06	39.94	15.11	0.63	0.01	54.43	84.63
Laboratory equipments	615.79	-	131.92	7.56	0.20	740.35	477.71	95.06	7.47	0.17	565.47	174.88
Leasehold Improvements	29.88	-	11.07	-	-	40.95	2.35	3.16	-	-	5.51	35.44
Vehicles	52.70	-	1.16	1.86	0.06	52.06	21.27	6.92	1.38	0.03	26.84	25.22
Total	**6,428.33**	-	**648.88**	**30.05**	**26.27**	**7,073.43**	**1,607.79**	**476.88**	**25.12**	**6.28**	**2,065.83**	**5,007.60**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(i) Contractual obligations

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

(ii) The Group has not revalued any property, plant and equipment after initial recognition, during the current and previous financial year.

(iii) Right-of-use assets

Description	Gross carrying amount						Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2022	Acquisitions through business combination	Additions	Disposals	Foreign currency translation adjustment	As at 31 March 2023	As at 01 April 2022	Depreciation for the year	Disposals	Foreign currency translation adjustment	As at 31 March 2023	As at 31 March 2023
Land	5.72	-	11.00	-	-	16.72	2.15	1.00	-	-	3.15	13.57
Buildings	170.62	-	35.65	11.07	1.10	196.30	44.29	19.72	4.86	0.08	59.23	137.07
Plant and equipments	26.69	-	2.76	-	-	29.45	12.20	5.15	-	-	17.35	12.10
Total	**203.03**	-	**49.41**	**11.07**	**1.10**	**242.47**	**58.64**	**25.87**	**4.86**	**0.08**	**79.73**	**162.74**

Description	Gross carrying amount						Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2021	Acquisitions through business combination	Additions	Disposals	Foreign currency translation adjustment	As at 31 March 2022	As at 01 April 2021	Depreciation for the year	Disposals	Foreign currency translation adjustment	As at 31 March 2022	As at 31 March 2022
Land	5.72	-	-	-	-	5.72	1.19	0.96	-	-	2.15	3.57
Buildings	146.89	-	28.26	6.58	2.05	170.62	28.64	18.09	2.55	0.12	44.29	126.33
Plant and equipments	19.74	-	6.95	-	-	26.69	7.31	4.88	-	-	12.20	14.49
Total	**172.35**	-	**35.21**	**6.58**	**2.05**	**203.03**	**37.14**	**23.93**	**2.55**	**0.12**	**58.64**	**144.39**

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 5: Capital work-in-progress

	As at 31 March 2023	As at 31 March 2022
Reconciliation of carrying amount		
Opening balance	**40.96**	**82.83**
Additions during the year	1,522.80	607.98
Capitalised during the year	(982.52)	(649.85)
Closing balance	**581.24**	**40.96**

Note: The Group does not have any Capital Work-in-progress (CWIP) which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

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

Ageing of CWIP

As at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	559.70	21.54	-	-	581.24
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	40.96	-	-	-	40.96
Projects temporarily suspended	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 6: Goodwill and other intangible assets

Description	Goodwill	Other intangible assets				
		Distribution network	Computer software	Brands	Non-compete arrangements	Total
Cost or deemed cost						
As at 01 April 2022	441.70	-	87.77	58.80	22.20	168.77
Additions	-	-	5.94	-	-	5.94
Acquisitions through business combination (refer note 48)	74.00	16.66	-	70.00	19.00	105.66
Disposals	-	-	(0.86)	-	-	(0.86)
Foreign currency translation adjustment	-	-	0.05	-	-	0.05
As at 31 March 2023	**515.70**	**16.66**	**92.90**	**128.80**	**41.20**	**279.56**
Accumulated amortization						
As at 01 April 2022	-	-	75.87	36.12	13.65	125.64
Amortisation expense	-	3.23	2.65	25.33	8.12	39.33
Disposals	-	-	(0.04)	-	-	(0.04)
Foreign currency translation adjustment	-	-	0.05	-	-	0.05
As at 31 March 2023	**-**	**3.23**	**78.53**	**61.45**	**21.77**	**164.98**
Carrying amounts (net) as at 31 March 2023	**515.70**	**13.43**	**14.37**	**67.35**	**19.43**	**114.58**
Cost or deemed cost						
As at 01 April 2021	441.70	-	86.69	58.80	22.20	167.69
Additions	-	-	0.81	-	-	0.81
Disposals	-	-		-	-	-
Foreign currency translation adjustment	-	-	0.27	-	-	0.27
As at 31 March 2022	**441.70**	-	**87.77**	**58.80**	**22.20**	**168.77**
Accumulated amortization						
As at 01 April 2021	-	-	69.10	24.37	9.21	102.68
Amortisation expense	-	-	6.53	11.75	4.44	22.72
Disposals	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	0.24	-	-	0.24
As at 31 March 2022	**-**	**-**	**75.87**	**36.12**	**13.65**	**125.64**
Carrying amounts (net) as at 31 March 2022	**441.70**	-	**11.90**	**22.68**	**8.55**	**43.13**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(i) Impairment

Refer accounting policy in note 3(d).

Impairment testing for cash generating unit containing goodwill

Additions to Brands, Non-compete arrangements, Goodwill and Distribution network include intangible assets on account of acquisition of a milk and milk products division of Sri Krishna Milks Private Limited ("SKM"), through slump purchase arrangement on a going concern basis at a consideration of ₹ 507.73.

During the earlier years, the Group has acquired assets under a business transfer agreement from K C Dairy Products Private Limited ("K C Dairy") and allocated Goodwill to K C Dairy which represents the lowest level within the Group at which Goodwill is monitored for internal management purposes. The carrying amount of goodwill as at 31 March 2023 is ₹ 359.37 (31 March 2022: ₹ 359.37).

The Group has also acquired Bharathi Feedmixing Plant through its subsidiary Orgafeed Private Limited ("Orgafeed") in the earlier year under slump sale of assets and allocated goodwill to Orgafeed which represents the lowest level within the the Group at which Goodwill is monitored for internal management purposes. The carrying amount of goodwill of Orgafeed as at 31 March 2023 is ₹ 82.33 (31 March 2022: ₹ 82.33).

As at 31 March 2023, Goodwill pertaining to business combinations were tested for impairment.

The key assumptions used in the estimation of the recoverable amount are as set out below. The values assigned to the key assumptions represent Management's assessment of future trends in the relevant industry and have been based on historical data from both internal and external sources.

	Acquisition relating to SKM		Acquisition relating to K C Dairy		Acquisition relating to Orgafeed	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Annual growth rate for 5 years (Average)	12.75%	-	11.86%	11.48%	2.20%	5.63%
Terminal value growth rate	5.00%	-	3.00%	3.00%	2.00%	3.00%
Weighted average cost of capital % (WACC) post tax	13.50%	-	13.53%	14.28%	7.58%	6.79%

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = Risk free return + (Market premium x Beta for the Company).

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for the year ended 31 March 2023.

(ii) The Group has not revalued any Intangible assets after initial recognition during the current and previous financial year.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 7: Biological assets other than bearer plants

	As at 31 March 2023	As at 31 March 2022
Matured biological assets	11.15	16.02
Immatured biological assets	4.66	5.94
	15.81	**21.96**

Reconciliation of carrying amount:

	As at 31 March 2023		As at 31 March 2022	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
Balance at the beginning of the year	**16.02**	**5.94**	**18.65**	**8.32**
Change in fair value (refer note 30)	4.25	1.50	(2.88)	4.92
Cattles matured during the year	-	-	5.21	(5.21)
Cattles sold/ discarded during the year	(9.12)	(2.78)	(4.96)	(2.09)
Balance at the end of the year	**11.15**	**4.66**	**16.02**	**5.94**

As at 31 March 2023, there were 122 cattle (31 March 2022: 194 cattle) as immatured biological assets and 173 cattle (31 March 2022: 270 cattle) as matured biological assets. During the current year, the Group has sold/ discarded 238 cattle (31 March 2022: 137 cattle).

The fair valuation of biological assets is classified as level 2 in the fair value hierarchy as they are determined based on the basis of the best available quote from the nearest market to the farm and on the basis of age of the calves, cows and heifers.

Note 8: Non-current investments

	As at 31 March 2023	As at 31 March 2022
Investment in associate*		
Global VetMed Concepts India Private Limited	38.67	38.67
3,866,923 (31 March 2022: 3,866,923) equity shares of face value ₹ 10 each, fully paid-up		
Less: Provision for impairment for investment in Global VetMed Concepts India Private Limited	(38.67)	(38.67)
Investment in debentures		
Carried at amortised cost	699.07	558.47
	699.07	**558.47**
Aggregate value of non-current investments - unquoted	737.74	597.14
Aggregate provision for impairment in value of non-current investments	(38.67)	(38.67)

* The Group holds 47.88% of the shareholding in the associate company. The Group's share of net (loss)/profit incurred during the year by the associate company is ₹ (0.89) (31 March 2022: ₹ 0.34). The Group has not recognised these (losses)/profits in its books of account as the investment is fully impaired. The Group has not received dividend from the associate company during the current and previous year.

The Group has not traded in or invested in crypto or virtual currency during the year.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 44.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 9: Non-current loans (unsecured, credit impaired)

	As at 31 March 2023	As at 31 March 2022
Amounts receivable from vendors	5.00	5.00
Less: Allowance for doubtful receivables	(5.00)	(5.00)
	-	**-**

Note 10: Other non-current assets (unsecured, considered good)

	As at 31 March 2023	As at 31 March 2022
Capital advances	75.08	137.58
Prepaid expenses	10.32	6.46
Advance for business purchase	-	300.00
Taxes paid under protest	0.10	0.10
	85.50	**444.14**

Note 11: Inventories

	As at 31 March 2023	As at 31 March 2022
Raw materials and packing materials	804.78	598.44
Work-in-progress	129.41	253.23
Finished goods*	143.23	267.67
Stock-in-trade	28.05	12.01
Stores and spares	93.72	78.50
	1,199.19	**1,209.85**

*include goods-in-transit amounting to ₹ 45.86 (31 March 2022: ₹ 66.23).

The write down of inventories to net realisable value during the year amounted to ₹ 1.61 (31 March 2022: ₹ Nil) The write down are included in changes in inventories of finished goods and work-in-progress.

Note 12: Current investments

	As at 31 March 2023	As at 31 March 2022
Carried at FVTPL		
Investment in quoted mutual funds	1,593.49	473.99
Carried at amortised cost		
Investment in debentures and bonds	161.77	615.03
Investment in commercial papers	145.99	196.01
	1,901.25	**1,285.03**
Aggregate book/ market value of current investments - quoted	1,593.49	473.99
Aggregate value of current investments - unquoted	307.76	811.04

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 44.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 13: Trade receivables (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	**86.62**	47.65
Unsecured, credit impaired	9.75	3.15
	96.37	**50.80**
Less: Allowance for doubtful debts	(9.75)	(3.15)
	86.62	**47.65**

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

There were no unbilled receivables as at 31 March 2023 and as at 31 March 2022.'

Ageing as at 31 March 2023

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	86.29	0.31	0.02	-	-	**86.62**
(ii) Undisputed trade receivables – credit impaired	3.88	2.35	1.01	2.51	-	**9.75**
Total	**90.17**	**2.66**	**1.03**	**2.51**	**-**	**96.37**

Ageing as at 31 March 2022

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	47.14	0.51	-	-	-	**47.65**
(iii) Undisputed trade receivables – credit impaired	-	3.12	0.03	-		**3.15**
Total	**47.14**	**3.63**	**0.03**	**-**	**-**	**50.80**

There are no debts due by directors or other officers of the group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Trade receivables are non interest bearing and are generally are in terms of 0 to 30 days.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 14: Cash and bank balances

		As at 31 March 2023	As at 31 March 2022
(a)	**Cash and cash equivalent:**		
	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
		750.46	**1,098.94**
(b)	**Other bank balances**		
	Deposits with remaining maturity of less than 12 months*	495.78	219.55
		495.78	**219.55**

*Includes margin money deposits against bank guarantees amounting to ₹ 0.41 (31 March 2022 : ₹ 36.45)

Reconciliation of liabilities arising from financing activities for the year ended 31 March 2023:

	As at 31 March 2023	As at 31 March 2022
Opening balance		
Non-current borrowings (including current maturities)	-	869.16
Lease liabilities	128.73	116.99
Interest accrued but not due on borrowings	-	2.54
Movement		
Proceeds from borrowings	180.00	-
Repayment of long term borrowings	-	(872.58)
Payment of lease liabilities	(34.09)	(31.74)
Interest expense	-	53.01
Interest on lease liabilities	12.10	11.68
Interest paid	-	(56.04)
Other non-cash movements		
- Addition to lease liabilities net of disposals	36.52	35.21
- Borrowing cost amortisation	-	0.50
Closing balance of borrowings		
Non-current borrowings (including current maturities)	**180.00**	**-**
Lease liabilities	**143.26**	**128.73**

Note 15: Current loans (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Amounts receivable from vendors	-	4.77
	-	**4.77**

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 16: Other financial assets (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Security deposits	114.57	106.41
Bank deposits maturing after 12 months from the reporting date*	0.20	-
Interest accrued	-	15.31
Amount paid under protest	26.44	18.99
	141.21	**140.71**

* Represents margin money deposits against bank guarantees.

	As at 31 March 2023	As at 31 March 2022
Current		
Unsecured, considered good		
Security deposits	1.10	26.80
Interest accrued	51.94	11.44
	53.04	**38.24**

Note 17: Other current assets

	As at 31 March 2023	As at 31 March 2022
Advances other than capital advances:		
Unsecured, considered good:		
Salary advances to employees*	6.46	4.20
Prepaid expenses	42.05	19.46
Advance to suppliers and service providers	181.94	19.35
Share issue expenses (refer note (i) below)	-	23.96
Other advances	12.15	32.89
Balance with government authorities	9.97	11.60
Unsecured, credit impaired:		
Other advances*	31.22	35.07
Less : Allowance for bad and doubtful advances	(31.22)	(35.07)
	252.57	**111.46**

Note (i): During the previous year ended 31 March 2022, the Group incurred expenses in connection with the Initial Public Offer (IPO) of equity shares of the Group by way of fresh issue and an offer for sale by the existing shareholders. In relation to the IPO expenses incurred that date, except for listing fees which shall be solely borne by the Group, all other expenses will be shared between the Group and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by the Group in the fresh issue and the offered shares sold by the selling shareholders in the offer for sale.

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

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 18: Equity share capital

	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
75,000,000 (31 March 2022: 75,000,000) equity shares of ₹ 10 each	750.00	750.00
	750.00	**750.00**
Issued, subscribed and paid-up share capital		
59,492,735 (31 March 2022: 59,492,735) equity shares of ₹ 10 each fully paid-up	594.93	594.93
	594.93	**594.93**

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	59,492,735	594.93	58,324,511	583.25
Issued during the year	-	-	1,168,224	11.68
Outstanding at the end of the year	**59,492,735**	**594.93**	**59,492,735**	**594.93**

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

The Company has only one class of equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 10 each, fully paid-up				
Mr. D. Sunil Reddy	7,657,434	12.87%	7,852,434	13.20%
Mrs. D. Deepa Reddy	6,766,409	11.37%	6,766,409	11.37%
Dodla Family Trust	14,524,983	24.41%	14,524,983	24.41%
Mylktree Consultants LLP	6,946,614	11.68%	6,946,614	11.68%
TPG Dodla Dairy Holdings Pte. Ltd.	-	0.00%	5,831,434	9.80%
SBI Small Cap Fund	3,672,376	6.17%	3,672,376	6.17%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(d) Equity shares held by promoters at the end of the year

As at 31 March 2023:

Promotor Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Mr. D. Sunil Reddy	7,852,434	(1,95,000)	7,657,434	12.87%	-2.48%
Mr. D. Sesha Reddy	556,716	-	556,716	0.94%	0.00%
Mrs. D. Deepa Reddy	6,766,409	-	6,766,409	11.37%	0.00%
Sunil Reddy (HUF)	-	-	-	0.00%	0.00%
Dodla Family Trust	14,524,983	-	14,524,983	24.41%	0.00%
Dodla Girija Reddy	17	-	17	0.00%	0.00%
Dodla Subba Reddy	17	-	17	0.00%	0.00%
Bommi Surekha Reddy	556,733	-	556,733	0.94%	0.00%
Mylktree Consultants LLP	6,946,614	-	6,946,614	11.68%	0.00%

As at 31 March 2022:

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Mr. D. Sunil Reddy	8,269,038	(4,16,604)	7,852,434	13.20%	-5.04%
Mr. D. Sesha Reddy	556,716	-	556,716	0.94%	0.00%
Mrs. D. Deepa Reddy	7,433,958	(6,67,549)	6,766,409	11.37%	-8.98%
Sunil Reddy (HUF)	-	-	-	0.00%	0.00%
Dodla Family Trust	16,144,877	(16,19,894)	14,524,983	24.41%	-10.03%
Dodla Girija Reddy	17	-	17	0.00%	0.00%
Dodla Subba Reddy	17	-	17	0.00%	0.00%
Bommi Surekha Reddy	556,733	-	556,733	0.94%	0.00%
Mylktree Consultants LLP	7,000,000	(53,386)	6,946,614	11.68%	-0.76%

(e) During the five years immediately preceding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued other than the issuance of 52,397,168 equity shares of ₹ 10 each fully paid-up as bonus shares on 17 July 2018 in the ratio of 16:1 (sixteen equity shares of ₹ 10 each for every one equity share of ₹ 10 each held in the Company as on the record date i.e. 05 July 2018) by capitalisation of securities premium account.

(f) Share based payment arrangement

During the financial year 2017-18, the Company introduced Dodla Dairy Limited Employee Stock Option Plan 2018 ('the Plan'). As per the Plan, the Nomination and Remuneration Committee grants options to the eligible employees and directors of the Company. The vesting period of the option shall be provided in the relevant grant letter and shall be subject to the applicable law. Options granted under the Plan can be exercised within the period determined by the Nomination and Remuneration Committee. Exercise of an option is subject to continued employment.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Under the Plan, the Company granted 49,122 options on 23 March 2018 (835,074 options, converted in the ratio of bonus shares issued) at an exercise price of ₹ 3,627.38 per share (₹ 213.39 per share, in proportion to the bonus shares issued) to the Chief Executive Officer of the Company. Each option represents one equity share of ₹ 10 each, fully paid-up.

Movement in the options under the Plan	No. of options	
	As at 31 March 2023	As at 31 March 2022
Options outstanding at the beginning of the year	835,074	835,074
Options granted during the year	-	-
Options exercised during the year	-	-
Options exercisable at the end of the year	**8,35,074**	**8,35,074**

Fair value measurement

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs used in Black-Scholes model for calculating fair value of options under the plan as on the date of grant are as follows:

No. of options granted	835,074
Date of grant	23-Mar-18
Vesting period (years)	1 to 4
Fair value at grant date (INR)	430
Expected volatility	45.00%
Risk free rate	7.60%

For details on the employee benefits expense, refer note 33.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 19: Other equity

	Attributable to shareholders of the company						
	Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve	Share options outstanding account	Retained earnings	Total
Balance as at 01 April 2021	**12.00**	**1,523.72**	**50.77**	**(2.25)**	**29.98**	**4,382.23**	**5,996.45**
Issue of shares	-	488.32	-	-	-	-	488.32
Share issue expenses	-	(31.84)	-	-	-	-	(31.84)
Exchange differences in translating financial statements of foreign operations	-	-	-	58.58	-	-	58.58
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	(3.65)	(3.65)
Employee share based payment expense	-	-	-	-	0.69	-	0.69
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	1,328.13	1,328.13
Transfer to Retained earnings	-	-	(50.77)	-	-	50.77	-
Balance as at 31 March 2022	**12.00**	**1,980.20**	**-**	**56.33**	**30.67**	**5,757.48**	**7,836.68**

	Attributable to shareholders of the company						
	Capital redemption reserve	Securities premium	Debenture redemption reserve	Foreign currency translation reserve	Share options outstanding account	Retained earnings	Total
Balance as at 01 April 2022	**12.00**	**1,980.20**	**-**	**56.33**	**30.67**	**5,757.48**	**7,836.68**
Exchange differences in translating financial statements of foreign operations	-	-	-	60.27	-	-	60.27
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	-	7.61	7.61
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	1,222.84	1,222.84
Balance as at 31 March 2023	**12.00**	**1,980.20**	**-**	**116.60**	**30.67**	**6,987.93**	**9,127.40**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Nature and purpose of the reserve

Capital redemption reserve

The Group had redeemed the preference shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so redeemed is required to be transferred to the capital redemption reserve.

Debenture redemption reserve

The Group had issued non-convertible debentures in India and as per the provisions of the Companies Act, 2013 is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend.

Securities premium

Securities premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in this reserve within equity. The cumulative amount will be reclassified to profit or loss when the net investment is disposed-off.

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued under Dodla Dairy Limited Employee Stock Option Plan 2018 (refer note 18(f)).

Remeasurement of defined benefit (included in retained earnings)

Remeasurements of defined benefit represents the following as per Ind AS 19, employee benefits:

(a) actuarial gains and losses

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

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Note 20: Borrowings (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Secured		
Term loans		
- from banks (refer below)	180.00	-
	180.00	**-**

Terms of repayment for secured term loans from banks taken by the subsidiary company:

Term loan of ₹ 180.00 was taken from Axis Bank during the year ended 31 March 2023 which carries interest rate equal to repo rate plus 1.10 % per annum i.e., 7.6 % per annum for the year ended 31 March 2023. It is repayable in 24 equal quarterly installments of ₹ 12.50 each commencing from 31 March 2025. The term loan is secured by first pari passu charge on movable and immovable property at Kadapa and Pogurupalli, second pari passu charge on current assets (present and future) and corporate guarantee furnished by the holding company, Dodla Dairy Limited.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 21: Deferred tax liabilities, net

	As at 31 March 2023	As at 31 March 2022
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
On account of property, plant and equipment (PPE), other intangible assets and right-of-use assets	342.11	455.53
Fair value changes in mutual funds	13.77	5.53
Others	3.63	5.17
Deferred tax assets		
Provision for employee benefits	(43.55)	(43.10)
Lease liabilities	(34.66)	(32.23)
Provision for impairment of receivables and advances, net	(10.97)	(10.24)
Others	(40.58)	(35.07)
Net deferred tax liability	**229.75**	**345.59**
Deferred tax assets	-	(0.34)
Deferred tax liabilities	229.75	345.93
Net deferred tax liability	**229.75**	**345.59**

Deferred income taxes are not provided on undistributed earnings of subsidiaries, where it is expected that earnings of the subsidiaries will not be distributed in the foreseeable future as the Group plans to utilise the surplus cash for the purpose of expansion. Also, refer note 37 for tax expense.

Movement in deferred tax liabilities/ (assets)

	Lease liabilities	PPE, other intangible assets and right-of-use assets	Fair value changes in mutual funds	Provision for employee benefit	Provision for impairment of receivables and advances, net	Others	Total
Balance as at 01 April 2021	**(40.19)**	**599.89**	**1.84**	**(64.98)**	**(17.54)**	**(25.06)**	**453.96**
Charged/ (credited):							
- to profit or loss	7.96	(144.35)	3.69	23.11	7.30	(4.85)	(107.14)
- to other comprehensive income		-	-	(1.23)	-	-	(1.23)
Balance as at 31 March 2022	**(32.23)**	**455.54**	**5.53**	**(43.10)**	**(10.24)**	**(29.91)**	**345.59**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	Lease liabilities	PPE, other intangible assets and right-of-use assets	Fair value changes in mutual funds	Provision for employee benefit	Provision for impairment of receivables and advances, net	Others	Total
Balance as at 01 April 2022	**(32.23)**	**455.54**	**5.53**	**(43.10)**	**(10.24)**	**(29.91)**	**345.59**
Charged/ (credited):							
- to profit or loss	(2.43)	(113.43)	8.24	(3.00)	(0.73)	(7.04)	(118.39)
- to other comprehensive income		-	-	2.55	-	-	2.55
Balance as at 31 March 2023	**(34.66)**	**342.11**	**13.77**	**(43.55)**	**(10.97)**	**(36.95)**	**229.75**

Note 22: Government grants

	As at 31 March 2023	As at 31 March 2022
Non-current	19.74	22.64
Current	2.91	2.91
	22.65	**25.55**

Movement of government grants:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	25.55	28.46
Add: Received during the year	-	-
Less: Released to statement of profit and loss (refer note 30)	(2.91)	(2.91)
Balance at the end of the year	**22.64**	**25.55**

Note 23: Non-current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Compensated absences	90.84	88.56
Gratuity (refer note (ii) below)	8.59	20.19
	99.43	**108.75**

(i) Post retirement benefit - Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue (refer note 33).

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(ii) Post retirement benefit - Defined benefit plans

The Group provides its employees with the benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/ exit, restricted to a sum of ₹ 2.00.

a) The amounts recognised in the financial statements and the movements in the defined benefit obligation and plan assets over the year are as follows:

	As at 31 March 2023			As at 31 March 2022		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance (A)	**120.49**	**(96.18)**	**24.31**	**102.70**	**(83.92)**	**18.78**
Current service cost	19.36	-	19.36	15.30	-	15.30
Interest cost	7.36	-	7.36	5.39	-	5.39
Expected returns	-	(5.86)	(5.86)	-	(4.40)	(4.40)
Total amount recognised in profit or loss (B)	**26.72**	**(5.86)**	**20.86**	**20.69**	**(4.40)**	**16.29**
Remeasurements						
(Gain)/loss from change in demographic assumptions	(2.75)	-	(2.75)	5.80	-	5.80
Gain from change in financial assumptions	(8.29)	-	(8.29)	(4.06)	-	(4.06)
Experience losses/ (gains)	2.39	(1.51)	0.88	4.35	(1.21)	3.14
Total amount recognised in other comprehensive income (C)	**(8.65)**	**(1.51)**	**(10.16)**	**6.09**	**(1.21)**	**4.88**
Contributions (D)	-	(24.15)	(24.15)	-	(15.64)	(15.64)
Benefits paid (E)	(11.59)	11.59	-	(8.99)	8.99	-
Transfer In (F)	9.81	(9.81)	-	-	-	-
Closing balance (A+B+C+D+E+F)	**136.78**	**(125.92)**	**10.86**	**120.49**	**(96.18)**	**24.31**

(All amounts in rupees millions, except share and per share data and where otherwise stated)

b) Significant estimates: actuarial assumptions

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

	As at 31 March 2023	As at 31 March 2022
Discount rate	7.25%	6.10%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	22.00%	19.00%
Retirement age	60 years for Senior Manager/DGM & above level 58 years for others	60 years for Senior Manager/DGM & above level 58 years for others

i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

ii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iii) Attrition rate indicated above represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.66)	6.15	(6.00)	6.61
Salary escalation rate (1% movement)	5.82	(5.48)	6.21	(5.77)
Employee attrition rate (1% movement)	(6.73)	14.49	(8.56)	19.52

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

d) The major categories of plan assets are as follows

	As at 31 March 2023	As at 31 March 2022
Funds managed by Life Insurance Corporation of India	125.92	96.18
Total	**125.92**	**96.18**

The Group makes annual contribution to the Life Insurance Corporation of India ('LIC') of an amount advised by LIC. The Group was not informed by LIC of the investments made by them or the breakup of the plan assets into various type of investments.

e) Risk exposure

Through its defined benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The Group's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities and the Group ensures that it has enough reserves to fund the liability.

f) Maturity profile of defined benefit obligation:

	As at 31 March 2023	As at 31 March 2022
1st following year	29.95	21.87
2nd following year	25.44	18.24
3rd following year	22.43	16.84
4th following year	19.22	15.64
5th following year	17.20	13.56
Thereafter	82.97	88.38

g) The Company expects to contribute a sum of ₹ 26.69 to the plan for the next annual accounting period (31 March 2022: ₹ 40.56).

h) The weighted average duration of the defined benefit obligation at the end of the year is 4 years (31 March 2022: 5 years).

(iii) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company including its subsidiary and associate incorporated in India towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company including its subsidiary and associate incorporated in India will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 24: Trade payables (at amortised cost)

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note below)	29.68	21.02
Total outstanding dues of creditors other than micro enterprises and small enterprises **	1,239.31	1,008.07
	1,268.99	**1,029.09**

Trade payables are non-interest bearing and are normally settled on 0-60 days

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 44.

Ageing as at 31 March 2023

	Outstanding for following periods from due date of payment						
	Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**	**Not Due**	**Unbilled**	**Total**
MSME	4.17	-	-	-	25.51	-	29.68
Others	1,077.79	6.47	0.35	1.66	100.35	52.69	1,239.31
Total	**1,081.96**	**6.47**	**0.35**	**1.66**	**125.86**	**52.69**	**1,268.99**

Ageing as at 31 March 2022

	Outstanding for following periods from due date of payment						
	Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**	**Not Due**	**Unbilled**	**Total**
MSME	0.79	-	-	-	20.23	-	21.02
Others	849.21	0.53	0.46	1.64	91.68	64.55	1,008.07
Total	**850.00**	**0.53**	**0.46**	**1.64**	**111.91**	**64.55**	**1,029.09**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the reporting date has been made in the financial statements based on information received and available with the Group. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

	As at 31 March 2023	As at 31 March 2022
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year;		
- Principal (including ₹ 6.56 shown under capital creditors (31 March 2022: ₹ 3.68))	36.24	24.70
- Interest	-	-

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	As at 31 March 2023	As at 31 March 2022
ii) The amount of interest paid by the Group in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed date during the year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under Section 23 of the MSMED Act.	-	-

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

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

Note 25: Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Capital creditors ***	88.26	28.76
Employee payables**	49.80	67.17
Security deposits	289.91	245.86
Other payables	12.39	3.68
	440.36	**345.47**

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

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

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

Note 26: Current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Compensated absences	30.94	23.83
Gratuity (refer note 23)	2.27	4.38
Other provisions		
Provision for litigations*	112.89	109.03
	146.10	**137.24**

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

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 27: Income tax assets and current tax liabilities

	As at 31 March 2023	As at 31 March 2022
Current tax liability	174.51	199.83
Current tax asset	(32.55)	(25.50)
	141.96	**174.33**

Note 28: Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Contract liability against payment	38.50	57.39
Statutory dues	47.28	27.71
Other liabilities	0.50	47.09
	86.28	**132.19**

Note 29: Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of goods		
- Finished goods	27,146.47	21,662.50
- Traded goods	943.79	741.82
Sale of services		
- Conversion service charges	13.61	17.74
Other operating revenue		
- Sale of scrap	16.42	11.45
	28,120.29	**22,433.51**

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

Contract price	**28,420.00**	22,680.71
Less: Discounts and incentives	(299.71)	(247.20)
	28,120.29	**22,433.51**
Contract balances		
Trade receivables (refer note 13)	86.62	47.65
Contract liabilities (refer note 28)	38.50	57.39

The contract liabilities are primarily related to advance from customers for sale of milk and milk products, for which revenue is recorded at a point in time. The amount of ₹ 57.39 and ₹ 39.14 included in contract liabilities as at 31 March 2022 and 31 March 2021 have been recognised as revenue in the year ended 31 March 2023 and 31 March 2022.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 30: Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income		
- on deposits	19.18	26.50
- on bonds, Debentures and Commercial papers	94.78	41.15
- on others	2.86	1.52
Amortisation of government grants (refer note (i) below and note 22)	2.91	2.91
Changes in fair value of biological assets (refer note 7)	5.75	2.04
Fair value gain on financial assets measured at fair value through profit and loss	32.81	17.18
Profit on sale of investments in mutual funds, net	36.52	24.52
Other non-operating income	34.70	21.21
	229.51	**137.03**

Note (i): Government grants relate to capital investments in property, plant and equipment for creation of cold chain projects. The investment subsidies received from Government towards acquisition of assets are treated as "Government grants" and the amount in proportion to the depreciation is transferred to the statement of profit and loss.

Note 31: Cost of materials consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory of materials at the beginning of the year	598.44	378.30
Add: Purchases during the year	21,385.88	16,493.88
Less: Inventory of materials at the end of the year	804.78	598.44
	21,179.54	**16,273.74**

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Finished goods		
Opening stock	266.11	266.44
Closing stock	(143.23)	(267.67)
	122.88	**(1.23)**
b) Work-in-progress		
Opening stock	253.23	235.30
Closing stock	(129.41)	(253.23)
	123.82	**(17.93)**
c) Stock-in-trade		
Opening stock	12.14	17.17
Closing stock	(28.05)	(12.01)
	(15.91)	**5.16**
d) Foreign currency translation adjustment	(1.45)	1.95
	229.34	**(12.05)**

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 33: Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	1,077.25	928.27
Employee share based payment expenses (refer notes 18(f) and 19)	-	0.69
Contribution to provident and other funds	74.84	63.61
Expenses related to post-employment defined benefit plans (refer note 23)	20.86	16.65
Staff welfare expenses	18.52	14.94
	1,191.47	**1,024.16**

Note 34: Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on loan from banks	-	29.07
Interest on lease liabilities (refer note 47)	12.10	11.67
Other borrowing costs	-	24.44
	12.10	**65.18**

Note 35: Depreciation and amortisation expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	547.07	476.88
Amortisation of intangible assets (refer note 6)	39.33	22.72
Depreciation of right-of-use assets (refer note 4(iii))	25.87	23.93
	612.27	**523.53**

Note 36: Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	482.03	406.31
Consumption of stores and spare parts	307.86	244.92
Milk procurement expenses	23.35	20.60
Repairs and maintenance:		
- buildings	21.99	21.01
- plant and machinery	21.07	16.23
- other assets	5.24	11.92

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent (refer note 47)	61.79	55.14
Rates and taxes	66.57	55.13
Communication	13.04	11.56
Printing and stationery	13.58	12.21
Travelling and conveyance	81.67	63.73
Vehicle hire charges	16.90	14.35
Bank charges	9.22	9.27
Legal and professional fees	91.72	85.42
Security expenses	58.69	50.61
Bad debts written off	3.53	2.44
Provision/(reversal) for impairment of receivables	6.72	(3.76)
Impairment reversal of doubtful advances	(3.85)	(6.35)
Insurance	24.92	20.73
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
Expenditure on Corporate social responsibility	25.42	19.64
Freight expenses	2,060.38	1,784.58
Loss on account of foreign exchange fluctuation, net	36.25	13.70
Advertisement	97.56	66.66
Miscellaneous expenses	76.04	58.72
	3,606.72	**3,040.38**

Note 37: Tax expense

		For the year ended 31 March 2023	For the year ended 31 March 2022
(a)	**Amounts recognised in profit and loss**		
	Current tax	413.91	434.61
	Deferred tax	(118.39)	(107.14)
		295.52	**327.47**
(b)	**Amounts recognised in other comprehensive income**		
	Deferred tax (refer note 21)	2.55	(1.23)
		2.55	**(1.23)**
	Total tax expenses	**298.07**	**326.24**

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(c) Reconciliation of effective tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax (A)	1,518.36	**1,655.60**
Enacted tax rate in India (B)	25.17%	25.17%
Computed expected tax expenses (C = A*B)	**382.14**	**416.68**
Tax effect of adjustments to reconcile expected tax expense:		
Tax exempt income	6.51	(42.56)
Differential tax rate in the subsidiary	16.19	27.52
Adjustment for items taxed at a lower rate	(2.28)	-
Change in rate	-	(106.41)
Taxes of earlier years	(111.07)	-
Others	6.57	31.01
	298.07	**326.24**

Note: During the previous year, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Note 38: Contingent liabilities

		As at 31 March 2023	As at 31 March 2022
i)	**Claims against the Group not acknowledged as debts (net of provision)*:**		
	Income-tax matters	5.68	0.99
	Indirect tax matters related to assessment of Central Sales Tax and Customs on import of machinery	3.69	3.69

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

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before tax authorities and including matters mentioned above. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Group, as the case may be, and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defence of the proceedings and accordingly, no further provision is required.

ii) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Group has re-computed its liability towards PF for the month of March 2019 and has made a provision for it in the books of account which was subsequently paid. In respect of the earlier years, the Group has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 39: Commitments

Capital commitments:

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	63.45	137.42

Note 40: Earnings per share ('EPS')

	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings		
Profit attributable to equity shareholders (A)	1,222.84	1,328.13
Shares		
Weighted average number of equity shares outstanding during the year (B)	5,94,92,735	5,92,11,081
Effect of potential equity shares on employee stock options outstanding	4,76,420	5,13,468
Weighted average number of potential equity shares outstanding during the year for the purpose of computing Diluted Earnings Per Share (C)	5,99,69,155	5,97,24,549
Basic earnings per share of face value of ₹10 (A/B)	20.55	22.43
Diluted earnings per share of face value of ₹10 (A/C)	20.39	22.24

Note 41: Related parties

As per the Indian Accounting Standards - "Related Party Disclosures" (Ind AS 24) the following disclosures are made:

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

Nature of relationship	Name of the party
Associate	Global VetMed Concepts India Private Limited ('GVC')
Key management personnel ('KMP')	Mr. Sunil Reddy, Managing Director
	Mr. Sesha Reddy, Chairman
	Mr. B.V.K. Reddy, Chief Executive Officer (CEO)
	Mr. Anjaneyulu Ganji, Chief Financial Officer (CFO) (w.e.f. 25 January 2021)
	Mr. A. Madhusudhana Reddy, Whole-time Director
	Mr. Raja Rathinam, Independent Director
	Mr. Rampraveen Swaminathan, Independent Director
	Ms. Ponnavolu Divya, Independent Director (till 31 December 2021)
	Mr. Tallam Puranam Raman, Independent Director
	Mr. Akshay Tanna, Nominee Director

Nature of relationship	Name of the party
	Ms. Vinoda Kailas, Independent Director (w.e.f. 20 January 2022)
	Mrs. Ruchita Malpani, Company Secretary and Compliance officer (till 31 August 2021)
	Mr. Surya Prakash Mungelkar,Company Secretary and Compliance officer (w.e.f. 22 October 2021)
Relatives of KMP	Mr. Sesha Reddy, Father of Mr. Sunil Reddy
	Mrs. Surekha Reddy, Sister of Mr. Sunil Reddy
	Mrs. Deepa Reddy, Wife of Mr. Sunil Reddy
	Ms. Shilpa Reddy, Daughter of Mr. Sunil Reddy
	Ms. Girija Reddy, Mother of Mr. Sunil Reddy
	Mr. Subba Reddy, Brother of Mr. Sunil Reddy
Enterprise over which KMP have significant influence	Dodla Dairy, Vinjimuru
	Surekha Milk Chilling Centre
	Tropical Bovine Genetics Private Limited
	Hanslot Pile Foundation (till 09 September 2021)
	Mylktree Consultants LLP
	Dodla Family Trust
	Dodla Nutri Feeds LLP
	Dodla Foundation

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Lease rent paid		
- Dodla Dairy, Vinjimuru	1.20	1.20
- Surekha Milk Chilling Centre	1.06	1.00
- Hanslot Pile Foundation	-	0.33
Rent paid		
- Dodla Nutri Feeds LLP	0.11	-
Sale of Raw material		
- Dodla Nutri Feeds LLP	0.41	0.13
Software maintenance expenses		
- D Soft India Private Limited	-	-

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Remuneration paid to Key Managerial Personnel (refer note b)		
- Short-term employee benefits	79.12	71.54
- Post employment benefits	4.05	3.58
Sitting fees		
- Mr. B.V.K. Reddy	1.31	1.13
- Mr. Rampraveen Swaminathan	0.80	1.20
- Ms. Ponnavolu Divya	-	0.30
- Mr. Tallam Puranam Raman	0.60	0.60
- Ms. Vinoda Kailas	0.35	0.10
- Mr. Raja Rathinam	0.55	0.60
Purchase of raw material		
- GVC	8.12	9.57
Payment made on behalf of party		
- GVC	4.27	3.22
Consultancy expense		
- Mr. Sesha Reddy	3.90	3.90
- Ms. Shilpa Reddy	0.90	0.90
Purchase of goods		
- Tropical Bovine Genetics Private Limited	0.07	0.99
Corporate social responsibility expenditure incurred		
- Dodla Foundation	16.17	6.40

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(iii) Balances with related parties:

Particulars	As at 31 March 2023	As at 31 March 2022
Other current and non-current assets		
- GVC – Other advances	31.22	35.04
- GVC – Provision for doubtful advances	(31.22)	(35.04)
- Dodla Nutri Feeds LLP	0.05	0.02
- Mr. A. Madhusudhana Reddy – Advance given against salary, net	0.21	-
Other financial liabilities and trade payables		
- Ms. Shilpa Reddy – Consultancy fees payable	0.07	-
- Tropical Bovine Genetics Private Limited	0.01	0.06
- Surekha Milk Chilling Centre	0.09	0.08
- Dodla Dairy, Vinjimuru	0.10	0.10
- Hanslot Pile Foundation	-	0.02

Notes:

a. The borrowings of the Group are secured by corporate guarantee given by the Holding Company, Dodla Dairy Limited as detailed in note 20.

b. As the future liabilities for gratuity and leave encashment is provided on an actuarial basis and payment of insurance costs are made for the Group as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above. Share-based compensation expense allocable to key management personnel is Nil (31 March 2022: ₹ 0.69) is also not included in the remuneration disclosed above.

c. All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

Note 42: Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance. The Group is in the business of processing and selling milk and milk products. The Group's Chief Executive Officer who is identified as Chief Operating Decision Maker (CODM) reviews the performance of the Group on the basis of economic performance for Liquid Milk, Products and Curd. For the purpose of reporting the operating segments, all the three segments have been aggregated as a single reporting segment under the provisions of Ind AS 108 'Operating Segments' as the nature of products, the production and distribution process, class of customers and the regulatory environment is similar for all the segment. Thus, the segment revenue, segment profit, total segment assets and liabilities are all as reflected in the consolidated financial statements as at and for the years ended 31 March 2023 and 31 March 2022.

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

(All amounts in rupees millions, except share and per share data and where otherwise stated)

(i) Revenues	For the year ended 31 March 2023	For the year ended 31 March 2022
India	25,843.39	20,966.87
Outside India	2,276.90	1,466.64
Total	**28,120.29**	**22,433.51**

(ii) Non-current assets	As at 31 March 2023	As at 31 March 2022
India	7,373.96	6,492.90
Outside India	400.79	376.00
Total	**7,774.75**	**6,868.90**

Note 43: Loans or advances to specified persons

There are no Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Note 44: Financial instruments - fair values and risk management

Accounting classification and fair values

Financial instruments by category	As at 31 March 2023		As at 31 March 2022		Fair value level
	Amortised cost	FVTPL	Amortised cost	FVTPL	
Financial assets					
Investments in mutual funds (refer note (a) below)	-	1,593.49	-	473.99	Level 1
Investment in debentures, bonds and commercial papers	1,006.83	-	1,369.51	-	-
Trade receivables	86.62	-	47.65	-	-
Cash and cash equivalents	750.46	-	1,098.94	-	-
Bank balances other than above	495.78	-	219.55	-	-
Current loans receivable	-	-	4.77	-	-
Other non-current financial assets	141.21	-	140.71	-	-
Other current financial assets	53.04	-	38.24	-	-
Total financial assets	**2,533.94**	**1,593.49**	**2,919.37**	**473.99**	-
Financial liabilities					
Borrowings (current and non-current)	180.00	-	-	-	-
Lease liabilities	143.26	-	128.73	-	-
Trade payables	1,268.99	-	1,029.09	-	-
Other financial liabilities	440.36	-	345.47	-	-
Total financial liabilities	**2,032.61**	-	**1,503.29**	-	-

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Measurement of fair values

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature.

(a) The fair valuation of investments in mutual funds is classified as level 1 in the fair value hierarchy as they are determined based on their quoted prices.

Fair value method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A. Financial assets

1. The Group has not disclosed the fair values for trade receivables, cash and cash equivalents including other bank balances, loans receivable, and other financial assets because the carrying amounts are a reasonable approximation of the fair values.
2. Investment in mutual funds: Fair value of quoted mutual funds units is based on quoted market price at the reporting date.

B. Financial liabilities

1. Borrowings: It includes term loans from banks. These borrowings are classified and subsequently measured in the consolidated financial statements at amortised cost. Considering that the interest rate on the loan is reset on a monthly/ quarterly/ half yearly/ yearly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.
2. Lease liabilities: The fair values of the Group's lease liabilities are determined by discounting the future cashflows at discount rate that reflects the incremental borrowing rate of the Group. The Group has not disclosed the fair value because its carrying amount is a reasonable approximation of its fair value.
3. Trade payables and Other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the carrying values.

Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

Credit risk is managed by Head of Sales of the Group. Usually, the business is carried on cash and carry basis. However, for institutional customers credit is provided after a detailed background check and credit analysis.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

The accounts receivable team along with sales team will evaluate all new customers to determine payment terms, and what level of credit will be established. The accounts receivable team and sales team will also periodically review and re-evaluate payment terms and credit lines of existing customers and to support new customer requirements, and do manage risk as financial and business conditions change.

Majority of milk customers are un-registered and multi brand sellers. Billing transaction takes all the 365 days in a year. The credit allowed is monitored as per the approved limits.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The default in collection as a percentage to total receivable is low. Refer below for the expected credit loss for trade receivables.

Reconciliation of expected credit loss- trade receivables

	Amount
Expected credit loss on 01 April 2021	**(6.91)**
Changes in loss allowance	3.76
Expected credit loss on 31 March 2022	**(3.15)**
Changes in loss allowance	(6.60)
Expected credit loss on 31 March 2023	**(9.75)**

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, process and policies related to such risks are overseen by the senior management.

As of March 31, 2023 and March 31, 2022, the Group had unutilized credit limits from banks of ₹ 1,225.00 and ₹ 1,225.00 respectively. The returns/ statements filed by the Group with such banks are in agreement with the books of accounts of the Group for the year ended 31 March 2023.

The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Particulars	As at 31 March 2023				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	1,268.99	1,268.99	1,268.99	-	-
Borrowings	180.00	180.00	-	-	180.00
Lease liabilities	143.26	198.38	34.75	29.82	133.81
Other financial liabilities	440.36	440.36	440.36	-	-
	2,032.61	**2,087.73**	**1,744.10**	**29.82**	**313.81**

Particulars	As at 31 March 2022				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	1,029.09	1,029.09	1,029.09	-	-
Lease Liabilities	128.73	184.64	30.62	26.71	127.31
Other financial liabilities	345.47	345.47	345.47	-	-
	1,503.29	**1,559.20**	**1,405.18**	**26.71**	**127.31**

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest risk

The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. The Group also has variable interest deposit receivable which mitigate the interest rate risk on payables.

The exposure of the Group to interest rate changes at the end of the reporting period are as follows:

	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	180.00	-

Sensitivity

The profit or loss is sensitive to higher/ lower interest expense and interest income as a result of changes in interest rates.

Impact on profit after tax	As at 31 March 2023	As at 31 March 2022
Interest rate - increases by 50 basis points	(0.90)	-
Interest rate - decreases by 50 basis points	0.90	-

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Currency risk

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

Particulars	Currency	As at 31 March 2023	₹ in million	As at 31 March 2022	₹ in million
		Foreign currency (Absolute figures)		Foreign currency (Absolute figures)	
Capital creditors	USD	24,679	2.03	24,679	1.81
Bank balance	USD	973,235	79.92	436,830	33.16
Bank balance	KSH	1,450,283	0.90	-	-
Fixed deposit	USD	4,161,127	341.68	2,012,396	152.74
Trade and other receivables	USD	217,925	17.89	514,591	39.06
Trade and other receivables	KSH	17,935,699	11.12	-	-
Trade and other payables	USD	1,389,004	114.05	640,026	48.58

Sensitivity

The profit or loss is sensitive to foreign exchange gain/ loss as a result of changes in foreign exchange rates.

Impact on profit after tax	As at 31 March 2023	As at 31 March 2022
Foreign exchange rate - increases by 5%	16.77	8.73
Foreign exchange rate - decreases by 5%	(16.77)	(8.73)

Note 45: Capital management

(a) Risk management

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

	As at 31 March 2023	As at 31 March 2022
Total debt	180.00	-
Total equity	9,722.33	-
Total debt to equity ratio	**0.02**	-

(b) Dividends

During the year, no interim dividend has been declared by the Company (31 March 2022:Nil). Further, the Board of Directors of the Company has not proposed any final dividend (31 March 2022 : Nil).

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 46: Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of the entity	As at and for the year ended 31 March 2023							
	Net assets (i.e. total assets minus total liabilities)		Share in profit		Share in other comprehensive income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Dodla Dairy Limited	90.84%	8,831.34	77.68%	949.85	11.20%	7.60	74.18%	957.45
Subsidiaries								
Dodla Holdings Pte Limited	6.05%	588.02	0.47%	5.74	-	-	0.44%	5.74
Lakeside Dairy Limited	7.55%	734.41	15.67%	191.65	-	-	14.85%	191.65
Dodla Dairy Kenya Limited	0.52%	51.03	4.08%	49.85	-	-	3.86%	49.85
Orgafeed Private Limited	1.40%	136.04	3.61%	44.17	-	0.01	3.42%	44.18
Country Delight Dairy Limited	-0.02%	(1.69)	-0.20%	(2.47)	-	-	-0.19%	(2.47)
Non-controlling interest	-	-	-	-	-	-	-	-
Associate								
Global VetMed Concepts Private Limited*	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-6.34%	(616.82)	-1.30%	(15.95)	88.79%	60.27	3.43%	44.32
Total	**100.00%**	**9,722.33**	**100.00%**	**1,222.84**	**99.99%**	**67.88**	**100.00%**	**1,290.72**

*The Group has not recognised any share of profit/losses of the associate as it exceeds the carrying amount of the investment.

Notes to Consolidated Financial Statements for the year ended 31 March 2023

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Name of the entity	As at and for the year ended 31 March 2022							
	Net assets (i.e. total assets minus total liabilities)		Share in profit		Share in other comprehensive income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Dodla Dairy Limited	93.39%	7,873.89	102.86%	1,366.17	-6.65%	(3.65)	98.52%	1,362.52
Subsidiaries								
Dodla Holdings Pte Limited	6.37%	538.13	15.56%	206.64	-	-	14.94%	206.64
Lakeside Dairy Limited	6.23%	524.93	14.68%	194.95	-	-	14.10%	194.95
Dodla Dairy Kenya Limited	0.05%	4.63	0.58%	7.70	-	-	0.56%	7.70
Orgafeed Private Limited	0.43%	35.87	1.65%	21.92	-	-	1.59%	21.92
Non-controlling interest	-	-	-	-	-	-	-	-
Associate								
Global VetMed Concepts Private Limited*	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-6.47%	(545.84)	-35.33%	(469.25)	106.65%	58.58	-29.69%	(410.67)
Total	**100.00%**	**8,431.61**	**100.00%**	**1,328.13**	**100.00%**	**54.93**	**100.00%**	**1,383.06**

*The Group has not recognised any share of profit/losses of the associate as it exceeds the carrying amount of the investment.

(All amounts in rupees millions, except share and per share data and where otherwise stated)

Note 47: Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	128.73	116.99
Additions	49.41	35.21
Interest expenses	12.10	11.68
Deletions	(12.89)	(3.41)
Payment of lease liabilities	(34.09)	(31.74)
Balance at the end	**143.26**	**128.73**

As at balance sheet date, the Group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

	As at 31 March 2023	As at 31 March 2022
Maturity analysis – contractual undiscounted cash flows		
Less than one year	34.75	30.62
One to two years	29.82	26.71
Two to three years	25.42	21.43
Three to four years	18.95	18.75
Four to five years	16.61	15.35
More than five years	72.83	71.78
Total	**198.38**	**184.64**

Lease liabilities included in the balance sheet

Current	35.78	30.41
Non-current	107.48	98.32
Total	**143.26**	**128.73**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has taken certain rented premises on lease with contract terms within one year and leases of low value. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group has incurred following expenses relating to short-term leases for which the recognition exemption has been applied. (Refer note 36).

(All amounts in rupees millions, except share and per share data and where otherwise stated)

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on Right-of-use assets (refer note 4(iii))	25.87	23.93
Interest on lease liabilities (refer note 34)	12.10	11.68
Expenses relating to short term leases and low value leases (refer note 36)	61.79	55.14
	99.76	**90.75**
Amounts recognised in Statement of Cashflows		
Total cash outflow for leases	34.09	31.74
	34.09	**31.74**

Note 48: Business combinations

Sri Krishna Milks Private Limited (SKM)

On 11 April 2022, the Group completed the acquisition of a Milk and Milk Products Division of Sri Krishna Milks Private Limited, having a strong presence in the dairy market in the state of Karnataka through slump purchase agreement on a going concern basis at a consideration of Rs. 507.73. 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.

Assets acquired and liabilities assumed:

Components	Purchase price allocated
Property, plant and equipment	310.55
Intangible assets	105.66
Other net assets	17.52
Total	**433.73**
Goodwill	74.00
Total purchase price	**507.73**

The intangible assets are amortised over a period of 3-5 years as per management's estimate of its useful life, over which economic benefits are expected to be realised. The goodwill amounting to ₹ 74.00 is attributable to the workforce, high profitability of the acquired business, the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. Goodwill arising on the acquisition is not deductible for tax purposes. From the date of acquisition, SKM has contributed revenues amounting to ₹ 666.57 and loss amounting to ₹ (45.80) to the Group's performance for the year ended March 31, 2023. If the combination had taken place at the beginning of year ended 31 March 2023, the Group's revenue from continuing operations would have been increased by ₹ 23.00 and the profit before tax from continuing operations would have been decreased by ₹ (4.00).

Note 49: No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 50: No material foreseeable losses was incurred for any long-term contract including derivative contracts during the current and previous financial year.

Note 51: Benami property

There are no proceeding initiated or pending against the Group as at 31 March 2023, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

Note 52: Wilful defaulter

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

Note 53: Undisclosed incomes

The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 54: Previous year figures have been regrouped / reclassified, where necessary, to confirm to the current years' classification.

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sd/-
Navneet Rai Kabra
Partner
Membership number : 102328

Place: Hyderabad
Date: 20 May 2023

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

Sd/-
D. Sesha Reddy
Chairman
DIN: 00520448
Place: Hyderabad

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

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

Place: Hyderabad

Sd/-
Anjaneyulu Ganji
Chief Financial Officer

Place: Hyderabad

Sd/-
Surya Prakash Mungelkar
Company Secretary
M. No. A31877
Place: Hyderabad

Date: 20 May 2023

Dodla Dairy Limited

CIN: L15209TG1995PLC020324

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

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