

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Dodla Dairy Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Dodla Dairy Limited (hereinafter referred to as the "Company") for the year ended 31 March 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2022.

Basis for Opinion

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

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

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

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from

Registered Office:

Independent Auditor's Report (Continued)

Dodla Dairy Limited

material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report (Continued)

Dodla Dairy Limited

Other Matters

- a. The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

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Sulabh Kumar Kedia

Partner

Hyderabad

16 May 2022

Membership No.: 066380

UDIN:22066380AJBOUB8896



DODLA DAIRY

DODLA DAIRY LIMITED

CIN : L15209TG1995PLC020324

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(₹ in Millions except per share data)

Statement of standalone financial results for the quarter and year ended 31 March 2022

Particulars	Quarter ended			Year ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited Refer Note 4	Unaudited	Audited Refer Note 4	Audited	Audited
INCOME					
1. Revenue from operations	5,403.94	5,321.80	5,055.60	20,964.84	18,369.04
2. Other income	216.17	43.41	29.47	325.26	77.88
3. Total income [1+2]	5,620.11	5,365.21	5,085.07	21,290.10	18,446.92
4. EXPENSES					
a) Cost of materials consumed	3,952.03	3,724.34	3,571.16	15,380.87	13,123.93
b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	120.99	208.73	269.77	(8.35)	(148.31)
c) Employee benefits expense	238.43	232.24	210.37	936.28	816.53
d) Finance costs	2.86	2.87	22.03	64.93	118.53
e) Depreciation and amortisation expense	123.36	123.06	116.64	488.57	473.50
f) Other expenses	702.78	717.48	694.92	2,794.39	2,407.96
Total expenses	5,140.45	5,008.72	4,884.89	19,656.69	16,792.14
5. Profit before tax [3-4]	479.66	356.49	200.18	1,633.41	1,654.78
6. Tax expense					
a) Current tax	45.29	104.68	67.90	385.81	503.02
b) Deferred tax	(125.95)	2.34	63.60	(118.57)	67.82
7. Profit for the period/year [5-6]	560.32	249.47	68.68	1,366.17	1,083.94
8. Other comprehensive income/ (loss)					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of the net defined benefit obligation	(4.29)	-	6.54	(4.88)	5.23
Income-tax relating to these items	1.03	-	(2.28)	1.23	(1.83)
Other comprehensive income/(loss) for the period/year (net of tax)	(3.26)	-	4.26	(3.65)	3.40
9. Total comprehensive income for the period/year [7+8]	557.06	249.47	72.94	1,362.52	1,087.34
10. Paid-up equity share capital (Face value of ₹ 10 each)	594.93	594.93	583.25	594.93	583.25
11. Other equity				7,278.96	5,459.27
12. Earnings per share (Face value of ₹ 10 each) (not annualised for the quarter)					
a) Basic (in ₹)	9.42	4.19	1.20	23.07	19.34
b) Diluted (in ₹)	9.34	4.16	1.19	22.87	19.22

Balance sheet		(₹ in Millions)	
Particulars	As at		
	31-Mar-22	31-Mar-21	
	Audited	Audited	
ASSETS			
Non-current assets			
Property, plant and equipment	4,679.33	4,497.53	
Capital work-in-progress	40.83	82.57	
Goodwill	359.37	359.37	
Other intangible assets	42.93	63.61	
Biological assets other than bearer plants			
(i) Matured biological assets	16.02	18.65	
(ii) Immatured biological assets	5.94	8.32	
Financial assets			
(i) Investments	996.31	437.84	
(ii) Loans	143.01	165.01	
(iii) Other financial assets	123.35	97.23	
Other tax assets	25.50	18.92	
Other non-current assets	432.58	11.66	
Total non-current assets	6,865.17	5,760.71	
Current assets			
Inventories	1,081.88	853.45	
Financial assets			
(i) Investments	1,285.03	604.28	
(ii) Trade receivables	47.43	48.77	
(iii) Cash and cash equivalents	553.28	881.95	
(iv) Bank balances other than (iii) above	50.34	717.47	
(v) Loans	32.27	56.66	
(vi) Other financial assets	54.25	4.53	
Other current assets	81.30	101.88	
Total current assets	3,185.78	3,268.99	
Total assets	10,050.95	9,029.70	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	594.93	583.25	
Other equity	7,278.96	5,459.27	
Total equity	7,873.89	6,042.52	
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	-	529.67	
(a) Lease liabilities	98.32	98.18	
Provisions	107.97	87.13	
Deferred tax liabilities (net)	260.55	380.35	
Government grants	22.64	25.55	
Total non-current liabilities	489.48	1,120.88	
Current liabilities			
Financial liabilities			
(i) Borrowings	-	339.49	
(a) Lease liabilities	29.70	16.81	
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	21.00	13.49	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	883.32	800.56	
(iii) Other financial liabilities	340.31	365.30	
Other current liabilities	116.75	59.60	
Government grants	2.91	2.91	
Provisions	137.24	111.80	
Current tax liabilities (net)	156.35	156.34	
Total current liabilities	1,687.58	1,866.30	
Total liabilities	2,177.06	2,987.18	
Total equity and liabilities	10,050.95	9,029.70	

Standalone Statement of Cash Flows

(₹ in Millions)

Particulars	Year ended	Year ended
	31-Mar-22	31-Mar-21
	Audited	Audited
Cash flows from operating activities		
Profit before tax	1,633.41	1,654.78
Adjustments for:		
Depreciation and amortisation expense	488.57	473.50
Changes in fair valuation of biological assets	(2.04)	(9.22)
Loss on sale/ retirement of property, plant and equipment, net	1.38	-
Loss on sale/ discard of biological assets, net	3.53	4.31
Interest income	(82.59)	(44.62)
Finance costs	64.93	118.53
Dividend income from non-current investment	(169.12)	-
Employee share based payment expense	0.69	3.42
Profit on sale of current investments in mutual funds, net	(24.52)	(0.57)
Fair value gain on financial assets measured at fair value through profit and loss, net	(17.18)	(3.43)
Provision for impairment of receivables, advances and other assets, net	8.65	2.98
Government grant income	(2.91)	(2.88)
Unrealised foreign exchange gain, net	0.03	-
Operating profit before working capital changes	1,902.83	2,196.80
Change in operating assets and liabilities		
Increase in trade receivables	(0.96)	(11.69)
(Increase)/Decrease in inventories	(228.43)	256.75
Increase in loans and other financial assets	(22.91)	(7.81)
Decrease/(Increase) in other current and non-current assets	9.42	(31.51)
Increase in trade payables and other financial liabilities	82.46	174.96
Increase in employee benefits obligation	41.40	81.40
Increase in other current and non-current liabilities	57.15	10.02
Cash generated from operations	1,840.96	2,668.92
Income taxes paid, net	(392.39)	(501.12)
Net cash generated from operating activities	1,448.57	2,167.80
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(709.53)	(526.69)
Proceeds from sale of property, plant and equipment	2.12	9.69
Proceeds from sale of biological assets	3.52	3.38
Dividend income from non-current investment	169.12	-
Advance amount paid for acquisition of business	(300.00)	-
Inter-corporate deposit given	-	(10.00)
Inter-corporate deposit repaid	16.50	21.00
Purchase of investments	(5,493.04)	(550.00)
Proceeds from sale of investments	4,295.52	64.91
Interest received	59.18	44.95
Investment in bank deposits (having original maturity of more than 3 months)	(6.40)	(1,071.40)
Redemption of bank deposits (having original maturity of more than 3 months)	673.53	353.60
Net cash used in investing activities	(1,289.48)	(1,660.56)
Cash flows from financing activities		
Repayment of long term borrowings	(869.19)	(231.39)
Payment of short term borrowings, net	-	(400.00)
Issue of Shares	500.00	1,000.00
Share issue expenses	(31.84)	(18.03)
Repayment of lease liabilities	(19.27)	(15.56)
Interest on lease liabilities	(11.42)	(8.99)
Payment of dividend	-	(107.49)
Finance costs paid	(56.04)	(111.15)
Net cash (used in)/generated from financing activities	(487.76)	107.39
Net (decrease)/increase in cash and cash equivalents	(328.67)	614.63
Cash and cash equivalents at the beginning of the year	881.95	267.32
Cash and cash equivalents at end of the year	553.28	881.95

Notes:

1. The financial results of Dodla Dairy Limited ("the Company") have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the relevant rules thereunder and in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The above results for the quarter and year ended 31 March 2022 were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 16 May 2022. The statutory auditors have expressed an unmodified audit opinion on these results.
3. Where financial results contain both consolidated and standalone financial results of the parent, segment information is required to be presented only in the consolidated financial results. Accordingly, segment information has been presented in the consolidated financial results.
4. The standalone figures for the quarter ended 31 March 2022 are the balancing figure between the audited standalone figures in respect of the full financial year and the published unaudited year to date standalone figures up to the third quarter of the current financial year. The standalone figures for the quarter ended 31 March 2021 are the balancing figure between the audited standalone figures in respect of the full financial year and the unpublished audited year to date standalone figures up to the third quarter of the previous financial year. Also, the standalone figures upto the end of the third quarter of the current year were only reviewed and not subjected
5. During the year, the Company has completed Initial Public Offering of upto 12,153,668 Equity Shares of face value of ₹ 10 each of Dodla Dairy Limited for cash at a price of ₹ 428 per equity share (including a share premium of ₹ 418 per equity share) aggregating upto ₹ 5,201.77 Million, consisting of fresh issue of 1,168,224 equity shares aggregating to ₹ 500 Million and an offer for sale of 10,985,444 equity shares aggregating to ₹ 4,701.77 Million by the selling share holders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f 28 June 2021.

The Company has received gross amount of ₹ 500.00 Million from proceeds out of fresh issue of Equity Shares. The utilization of IPO proceeds out of fresh issue is summarized below:

Objects as per Prospectus	(₹ in Millions)		
	Planned utilisation as per Prospectus	Utilisation up to 31 March 2022	Unutilised amount as on 31 March 2022
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	322.64	322.64	-
Funding incremental capital expenditure requirements of our Company	71.51	71.51	-
General corporate purposes	105.85	105.85	-

5. The Company has considered internal and external sources of information up to the date of approval of the above financial results in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, intangible assets, goodwill, inventories, receivables, investments and other financial assets. The Company has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Company is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of the above financial results. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.
6. The Ministry of Corporate Affairs (MCA) vide notification dated 24 March 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from 01 April 2021. The Company has incorporated the changes as per the said amendment in the above results and has also changed comparative numbers wherever it is applicable.
7. During the quarter ended 31 March 2022, 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. Accordingly, the Company has recognised provision for income tax for the quarter and year ended 31 March 2022 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said Section. The impact of this change has been recognised in the statement of profit and loss over the period from 01 January 2022 to 31 March 2022.
8. The Board of Directors at their meeting held on 07 March 2022 approved the purchase of the business of Sri Krishna Milks Private Limited, a milk and milk products Company, through slump purchase arrangement on a Going Concern basis. Pursuant to the approval of the Board of Directors, the Company executed a Business Transfer Agreement ("BTA") on 18 March 2022 for purchase of business at a consideration of ₹ 500 Million (subject to certain transaction adjustments). As on 31 March 2022, the Company has given advance of ₹ 300 Million against the purchase of said business. Subsequent to the year end, the Company completed the purchase of business on 12 April 2022.

Place : Colorado
Date: May 16, 2022

for and on behalf of the Board of Directors of

Dodla Dairy Limited

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D. Sunil Reddy
Managing Director
DIN: 00794889