DRAFT RED HERRING PROSPECTUS
Dated: August 9, 2018
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

DODLA DAIRY LIMITED

Our Company was incorporated as Dodla Dairy Limited ("**DDL**") pursuant to a certificate of incorporation issued on May 15, 1995 by the Registrar of Companies, Andhra Pradesh at Hyderabad, ("**RoC**"), as a public limited company under the Companies Act, 1956. Subsequently, a certificate of commencement of business was issued to our Company on May 23, 1995 by the RoC. For further details in relation to our Company, see "*History and Certain Corporate Matters*" on page 156.

Registered and Corporate Office: 8-2-293/82/A/270-Q, Road No. 10-C, Jubilee Hills, Hyderabad, 500 033, Telangana, India
Tel: +91 40 4546 7777; **Fax**: +91 40 4546 7788
Contact Person: Ruchita Malpani, Company Secretary and Compliance Officer; **E-mail**: mail@dodladairy.com; **Website**: www.dodladairy.com
Corporate Identity Number: U15209TG1995PLC020324

OUR PROMOTERS: DODLA SUNIL REDDY, DODLA SESHA REDDY AND DODLA FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF DODLA DAIRY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION ("OFFER"). THE OFFER COMPRISES A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹1,500 MILLION AND AN OFFER FOR SALE OF UP TO 9,543,770 EQUITY SHARES CONSISTING OF UP TO 7,820,589 EQUITY SHARES BY TPG DODLA DAIRY HOLDINGS PTE LTD ("INVESTOR SELLING SHAREHOLDER") AND UP TO 1,723,181 EQUITY SHARES BY DODLA DEEPA REDDY ("INDIVIDUAL SELLING SHAREHOLDER", AND TOGETHER WITH THE INVESTOR SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS", AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE PRICE BAND, DISCOUNTS AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], ALL EDITIONS OF [●] AND ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND TELUGU DAILY NEWSPAPERS RESPECTIVELY, (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES. THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS [●] TIME THE FACE VALUE OF THE EQUITY SHARES.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to SCSBs, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"). The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs (**"QIB Portion"**), provided that our Company and the Selling Shareholders in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (**"Anchor Investor Portion"**) out of which at least one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, shall mandatorily participate in this Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). Anchor Investors are not permitted to participate in the Offer through ASBA Process. For details, see "*Offer Procedure*" on page 347.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 89) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 14.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders severally, and not jointly, accepts responsibility for and confirms that the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and its portion of the Equity Shares offered by it in the Offer for Sale, are true and correct in all material aspects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to the Company or its business or the other Selling Shareholder in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 475.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
Edelweiss Financial Services Limited 14th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India **Tel:** + 91 22 4009 4400 **Fax:** +91 22 4086 3610 **E-mail:** dodla.ipo@edelweissfin.com **Investor grievance e-mail:** customerservice.mb@edelweissfin.com **Website:** www.edelweissfin.com **Contact Person:** Nishita John / Tanya Rizvi **SEBI Registration No.:** INM0000010650	**ICICI Securities Limited** ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India **Tel**: +91 22 2288 2460 **Fax**: +91 22 2282 6580 **E-mail**: dodladairy.ipo@icicisecurities.com **Investor grievance E-mail**: customercare@icicisecurities.com **Website**: www.icicisecurities.com **Contact Person**: Arjun A Mehrotra / Rishi Tiwari **SEBI Registration No.**: INM000011179	**Karvy Computershare Private Limited** Karvy Selenium Tower-B" Plot No. 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad, 500 032 **Tel**: +91 40 6716 2222 **Fax**: +91 40 6716 1551 **E-mail**: dodladiary.ipo@karvy.com **Investor grievance E-mail**: einward.ris@karvy.com **Website**: www.karisma.karvy.com **Contact Person**: Murali Krishna M **SEBI Registration No.**: INR000000221

BID/ OFFER PROGRAMME	
BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)]

(1) *Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date; and*

(2) *Our Company and the Selling Shareholders in consultation with the BRLMs may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, rules, guidelines and policies as amended from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail. The words and expressions used but not defined herein shall have the meaning as is assigned to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder, unless the context otherwise indicates or implies.

Notwithstanding the foregoing, the terms not defined but used in "Our Business" "Statement of Tax Benefits", "Financial Statements", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" on pages 136, 92,184,321 and 384, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company", "the Company", "DDL" or "the Issuer"	Dodla Dairy Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 8-2-293/82/A/270-Q, Road No. 10-C, Jubilee Hills, Hyderabad, 500 033, Telangana, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

Company and Selling Shareholders Related Terms

Term	Description
Articles of Association/ AoA	Articles of Association of our Company, as amended
Audit Committee	The audit committee of our Company as described in "*Our Management*" on page 168
Auditor/Statutory Auditors	Statutory auditors of our Company, namely, B S R & Associates LLP
Board/ Board of Directors	Board of Directors of our Company, including a duly constituted committee thereof
Chairman	The chairman of our Company, namely Dodla Sesha Reddy
Chief Financial Officer	The chief financial officer of our Company
Compliance Officer	The company secretary and compliance officer of our Company
CRISIL Report	Report titled "Assessment of the Indian Dairy Industry" dated August 3, 2018 issued by CRISIL Limited
CSR Committee	The corporate social responsibility committee of our Board as described in "*Our Management*" on page 172
DDL	Dodla Dairy Limited
DHPL	Dodla Holdings Pte. Limited
DDKL	Dodla Dairy Kenya Limited
Director(s)	Director(s) of our Company
Dodla Family Trust	The family trust formed pursuant to a trust deed dated May 11, 2018
Edelweiss	Edelweiss Financial Services Limited
Equity Shares	Equity Shares of our Company of face value of ₹10 each
Executive Director	The executive directors of our Company
ESOP Plan	Dodla Dairy Limited Employees Stock Option Plan 2018
GVC/Associate Company	Global Vetmed Concepts India Private Limited
Group	Company, its Subsidiaries and Associate Company
Group Companies	The Group Companies of our Company, as covered under the applicable accounting standards and other companies as considered material by our Board, if any, in accordance with the materiality policy dated July 13, 2018. For details see "*Group Companies*" on page 179
Individual Selling Shareholder	Dodla Deepa Reddy
Investor Selling Shareholder	TDDHPL
Independent Director	The non-executive, independent directors of our Company
IPO Committee	IPO Committee of our Board as described in "*Our Management*" on page 172
I-Sec	ICICI Securities Limited
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Our Management*" on page 174
LDL	Lakeside Dairy Limited
Managing Director/MD	The managing director of our Company, Dodla Sunil Reddy
Materiality Policy	Materiality Policy of our Company adopted pursuant to a resolution of our Board dated July 13, 2018
Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended
Nomination, Remuneration and Compensation Committee	The nomination, remuneration and compensation committee of our Board as described in "*Our Management*" on page 171
Promoters	The promoters of our Company namely, Dodla Sunil Reddy, Dodla Sesha Reddy and Dodla Family Trust

Term	Description
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see "*Our Promoter and Promoter Group*" on page 178
Registered Office	Registered and corporate office of our Company located at 8-2-293/82/A/270-Q, Road No 10-C, Jubilee Hills, Hyderabad, 500 033, Telangana, India
Registrar of Companies/ RoC	Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad
Restated Consolidated Financial Information	The audited and restated consolidated financial information of our Company, along with our Subsidiaries for the Fiscals 2018, 2017, 2016, 2015 and 2014 (presented in accordance with Ind AS) which comprises the restated consolidated balance sheet, the restated consolidated statement of profit and loss, the restated consolidated cash flow statement and the restated consolidated statement of change in equity and notes thereto
Restated Financial Information	The Restated Standalone Financial Information and the Restated Consolidated Financial Information
Restated Standalone Financial Information	The audited and restated consolidated financial Information of our Company for the Fiscals 2018, 2017, 2016, 2015 and 2014 (presented in accordance with Ind AS); which comprises the restated consolidated balance sheet, the restated consolidated statement of profit and loss, the restated consolidated cash flow statement and the restated consolidated statement of change in equity and notes thereto
Shareholders	Equity shareholders of our Company from time to time
Shareholders' Agreement	Shareholders agreement dated May 2, 2017 entered into between our Company, Dodla Sunil Reddy, Dodla Sesha Reddy, Dodla Subba Reddy, Dodla Girija Reddy, Dodla Deepa Reddy, D Padmavathamma and TPG Dodla Dairy Holdings Pte. Ltd. as amended by amendment agreement executed on July 12, 2017 between our Company, our Promoters and TPG and by the second amendment agreement executed on July 13, 2018 between our Company, TPG and the Listed Persons described in "*History and Certain Corporate Matters*" on page 160
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board described in "*Our Management*" on page 170
Subsidiaries	The subsidiaries of our Company, namely (i) DHPL (ii) DDKL, and (iii) LDL
TDDHPL	TPG Dodla Dairy Holdings Pte. Ltd.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid/ Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares by the Selling Shareholders pursuant to the Offer for Sale to Allottees
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Application Form	Form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The day, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Escrow Account	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor Form	The form used by an Anchor Investor to Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Pay-in Date	In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the CAN but not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion or [●] Equity Shares which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form

Term	Description
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Bidders (other than Anchor Investors) in the Offer who intend to submit their Bid through the ASBA process
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to make Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Public Offer Account Bank(s) and the Refund Bank(s) in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 375
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than Anchor Investors), or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Bid cum Application Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations The term "Bidding" shall be construed accordingly
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●], and all editions of the Telugu daily newspaper [●], (Telugu being the regional language of Telangana where our Registered Office is located), each with wide circulation. Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI Regulations which shall also be notified by advertisement in the same newspapers where the Bid/ Offer Opening Date was published, in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder as the case may be, upon submission of the Bid
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context may require
Bid Lot	[●] Equity Shares
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be notified in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●], and all editions of the Telugu daily newspaper [●], (Telugu being the regional language of Telangana where our Registered Office is located), each with wide circulation.
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e. Designated Branches for SCSBs, Specified Locations for the Syndicate, Brokers Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, Edelweiss and I-Sec
Broker Centres	Centers notified by the Stock Exchanges where Bidders can submit ASBA Forms to Registered Brokers The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted (including any revisions thereof)
Cash Escrow Agreement	The agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI, who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/ CFD/ POLICYCELL/ 11/ 2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of the BSE and the NSE
Cut-Off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLMs Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their respective addresses, occupation, PAN, name of the Bidder's father/ husband, investor status, MICR Code and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, updated from time to time, or at such other website as may be prescribed by SEBI from time to time

Term	Description
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and https:// www.nseindia.com)
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Anchor Investor Escrow Account, and the SCSBs transfer funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, after the filing of the Red Herring Prospectus with the RoC
Designated Intermediaries	Collectively, members of the Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect ASBA Form from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms. The details of such Designated RTA locations, along with names and contact details of the RTAs are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated August 9, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addendum or corrigenda thereto
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRIs	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Collection Bank	A bank, which is a clearing member and registered with SEBI as a banker to an offer and with whom the Escrow Account will be opened, in this case being [●]
First/ sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of Equity Shares
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹1,500 million by our Company
General Information Document/ GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (CIR/ CFD/ DIL/ 12/ 2013) dated October 23, 2013 notified by SEBI, and updated pursuant to the circular (CIR/ CFD/ POLICYCELL/ 11/ 2015) dated November 10, 2015, the circular (CIR/ CFD/ DIL/ 1/ 2016) dated January 1, 2016 and (SEBI/ HO/ CFD/ DIL/ CIR/ P/ 2016/ 26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI and included in "*Offer Procedure*" on page 357
Monitoring Agency	[●]
Mutual Fund Portion	5% of the Net QIB Portion, excluding the the Anchor Investor Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses For further information about use of the Offer proceeds and the Offer expenses, see "*Objects of the Offer*" on page 81
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders	All Bidders, that are not QIBs or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹200,000 but not including NRIs other than Eligible NRIs
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes FPIs, NRIs and FVCIs
Offer	The initial public offer of up to [●] Equity Shares for cash at a price of ₹[●], aggregating up to ₹[●] million comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated August 9, 2018 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 9,543,770 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders for a cash price of ₹[●] per Equity Share including a share premium of ₹[●] per Equity Share aggregating to ₹[●] million For further details in relation to Selling Shareholders, see "*The Offer*" on page 62
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offered Shares	Equity Shares held by the Selling Shareholders and offered for sale in the Offer
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof

Term	Description
	The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/ Offer Opening Date, in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and all editions of the Telugu daily newspaper [●], (Telugu being the regional language of Telangana where our Registered Office is situated), each with wide circulation at least five Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Anchor Investor Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The bank(s) with whom the Public Offer Account(s) shall be opened and maintained in this case being [●]
QIB Portion	Portion of the Offer (including the Anchor Investor Portion) amounting to 50% of the Offer being [●] Equity Shares, which shall be available for allocation to QIBs, including the Anchor Investors, subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be allotted and the size of the Offer(including any addenda or corrigenda thereto) and which shall be filed with the RoC at least three Working Days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made to Bidders
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Refunds through electronic transfer of funds	Refunds through NACH, direct credit, NEFT, RTGS or unblocking ASBA Accounts, as applicable
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids at the Broker Centres in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated August 7, 2018, entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/ Registrar	Karvy Computershare Private Limited
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/ CFD/ POLICYCELL/ 11/ 2015 dated November 10, 2015 issued by SEBI
Retail Individual Bidder(s)/ Retail Individual Investor(s)/ RII(s)/ RIB(s)	Bidders (including HUFs applying through their kartas and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer is not more than ₹200,000 in any of the bidding options in the Offer
Retail Portion	The portion of the Offer being not less than 35% of the Offer or [●] Equity Shares, available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to modify their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholders	Collectively, the Investor Selling Shareholder and Individual Selling Shareholder.
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, in this case being, [●]
Share Escrow Agreement	The agreement dated [●] amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the deposit of the Equity Shares by the Selling Shareholders in a share escrow account and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms a list of which is included in the ASBA Form
Stock Exchanges	BSE and the NSE
Sub-Syndicate centres	The sub-Syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect Bid cum Application Forms and Revision Forms

Term	Description
Syndicate Agreement	The agreement dated [●] amongst the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date but prior to filing of Prospectus
Working Day	All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) the time period between the announcement of Price Band the Bid/ Offer Closing Date, 'Working Day' shall mean all days, except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business; and (b) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/ HO/ CFD/ DIL/ CIR/ P/ 2016/ 26 dated January 21, 2016

Technical/ Industry Related Terms/ Abbreviations/ Terms relating to our business

Term	Description
CBM	Continuous butter making
CIP	Cleaning in place
DDCC	Dodla Dairy Collection Centre
FSSA	Food Safety and Standards Act, 2006
FSSAI	Food Safety and Standards Authority of India
gms	grams
GPRS	General packet radio service
kgs	Kilograms
MCC	Motor control centers
ml	Millilitre
MLPD	Million litres per day
LDPE	Low Density Poly Ethylene
PLC	Programmable logic controller systems
SKUs	Stock keeping units
SNF	Solid not fat
SMP	Skimmed milk powder
SCADA System	Supervisory control and data acquisition system
UNBS	Uganda National Bureau of Standards
UHT	Ultra high temperature processing
VAPs	Value added products
VFD	Variable frequency drives

Conventional and General Terms or Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI MF Regulations
Average capital employed	Average of (net worth + net debt) of current and previous Fiscal, unless specifically stated
Average net worth	Average of closing net worth of current and previous Fiscal, unless specifically stated
Average receivables	Average of current year and previous year closing receivables, unless specifically stated
AS/ Accounting Standards	Accounting standards issued by the ICAI
Bn/ bn	Billion
BSE	BSE Limited
CAGR	(Ending value/beginning value)^(1/no. of periods)-1, unless specifically stated
Category I FPIs	Category I FPIs as prescribed under the SEBI FPI Regulation
Category II FPIs	Category II FPIs as prescribed under the SEBI FPI Regulation
Category III FPIs	Category III FPIs as prescribed under the SEBI FPI Regulation
Cash conversion cycle	Inventory days + receivable days – payable days, unless specifically stated
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections, along with the relevant rules made thereunder
Depositories	Collectively, the NSDL and the CDSL

Term	Description
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP ID	Depository Participant's Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EBIT	Revenue from operations – (cost of materials consumed + purchases of stock-in-trade + Changed in inventories of finished goods, stock-in-trade and work-in-progress + Employee benefits expenses+ other expenses + depreciation and amortization)
EBITDA	Revenue from operations – (cost of materials consumed + purchases of stock-in-trade + Changed in inventories of finished goods, stock-in-trade and work-in-progress + Employee benefits expenses+ other expenses), unless specifically stated
ECB	External Commercial Borrowing
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares are to be listed in the form prescribed under applicable law
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DIPP through notification dated August 28, 2017 effective from August 28, 2017
FEMA	Foreign Exchange Management Act, 1999, as amended, read with rules and regulations thereunder
Fiscal/Financial Year	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	The erstwhile Foreign Investment Promotion Board
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register
GoI/ Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFSC	Indian Financial System Code
IFRS	International Financial Reporting Standards
IPC	The Indian Penal Code, 1860, as amended
Income Tax Act	The Income Tax Act, 1961
India	Republic of India
Ind AS	Indian Accounting Standards (Ind AS)
Indian Accounting Standard Rules/Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
KPI	Key performance indicator
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum Of Understanding
Mn/ mn	Million
N.A./ NA	Not Applicable
NAV	Net Asset Value
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
Net debt	Long term bowing + short term borrowing + current maturities of long term debt – cash and cash equivalents – current investments, unless specifically stated
NR	Non-Resident
NRE Account	Non-Resident External accounts
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non-Resident Ordinary accounts
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer

Term	Description
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Receivable days	(Average receivables of current and last fiscal year*365)/(total revenue from operations), unless specifically stated
Return on equity/ROE	Profit after tax/Average net worth, unless specifically stated
Return on capital employed/ROCE	EBIT/Average capital employed, unless specifically stated
RHP	Red Herring Prospectus
RTGS	Real Time Gross Settlement
Sales	Revenue from operations for current Fiscal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Securities Act	U.S. Securities Act, 1933
Stamp Act	Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	Collectively, the BSE and the NSE
Systemically Important NBFC	A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹5,000 million as per the last audited financial statements
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S./ USA/ United States	United States of America
USD/ US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	A person or an entity declared as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Red Herring Prospectus to "India" are to the Republic of India, all references to "USA", "US" and "United States" are to the United States of America together with its territories and possessions.

Unless the context requires otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or unless the context requires otherwise, and to the extent applicable, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Information prepared in accordance with the Companies Act and Ind AS and restated in accordance with the SEBI ICDR Regulations and included elsewhere in this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals and all percentage figures, unless otherwise specified, have been rounded off to the second decimal place and accordingly there may be consequential changes in this Draft Red Herring Prospectus on account of rounding adjustments.

Our Company's Fiscal commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular "Fiscal", unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, Ind AS, and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, the Indian GAAP, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

On February 16, 2015, the Ministry of Corporate Affairs issued the Ind AS Rules for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The Ind AS Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with the Indian Accounting Standards converged with IFRS, although any company may voluntarily implement Ind AS for the accounting period beginning from April 01, 2015. Pursuant to SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016, our restated financial information for the Fiscals 2018, 2017, 2016, 2015 and 2014 included in this Draft Red Herring Prospectus has been prepared under the Ind AS.

Unless the context otherwise requires, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on pages 14, 136 and 300 respectively, and elsewhere in this Draft Red Herring Prospectus, to the extent applicable, have been calculated on the basis of our Restated Financial Information prepared in accordance with the Companies Act and Ind AS and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of the Republic of India.
- "US$" or "USD" are to the United States Dollar, the official currency of the United States.
- "Euro" or "EUR" or "€" are to Euro, the official currency of the European Union.
- "SGD" is to the Singapore Dollar, the official currency of Singapore.
- "KES" is to the Kenyan Shilling, the official currency of Republic of Kenya.
- "UGX" is to the Ugandan Shilling, the official currency of Republic of Uganda.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" or "billion" units, or in absolute number where the number have been too small to present in million unless as stated, otherwise, as applicable. One million represents 1,000,000, one billion represents 1,000,000,000 and one crore represents 10,000,000. However, figures sourced from third party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded off to such number of decimal points as prescribed in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD):

Currency	As on March 31, 2014[(1)]	As on March 31, 2015[(1)]	As on March 31, 2016[(1)]	As on March 31, 2017[(1)]	As on March 31, 2018[(1)]
1 USD	60.10	62.59	66.33	64.84	64.92

(Source: RBI website)

(1) In the event that March 31, of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Industry and Market Data

The sections "*Summary of Industry*", "*Summary of our Business*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" of this Draft Red Herring Prospectus contain data and statistics from the report titled "Assessment of the Indian Dairy Industry" prepared by CRISIL Limited, dated August 3, 2018, which is subject to the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard.* ***Dodla Dairy Limited*** *will be responsible for ensuring compliances and consequences of non-complainces for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 89 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, the Selling Shareholders nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, and SEBI Listing Regulations, as applicable, our Company may be required to undertake an annual updation of the disclosures made in this Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

Time

Unless otherwise stated, all references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. However, these are not exclusive means of identifying forward looking statements. All statements regarding our expected financial condition and results of operation are forward looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India and globally which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our ability to procure adequate amounts of good quality raw milk from farmers and third party suppliers, at competitive prices;
- our ability to accurately forecast demand for our products;
- adverse developments affecting Southern India;
- significant interruption in continuing operations of our chilling centres;
- actual or alleged contamination or deterioration of our products or our raw materials;
- Improper storage, processing or handling of raw milk and our dairy products;
- maintenance and enhancement of our brand and reputation, consumers' recognition of our brands, and trust in us, our products;
- failure to adapt our product offerings to the changing consumer preferences;
- failure to effectively manage our future growth and expansions; and
- general level of competition in the dairy industry and our ability to compete effectively with established and new competitors (including dairy cooperatives).

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 14, 136 and 300, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments from the date of registration of the Red Herring Prospectus with the RoC until the receipt of final listing and trading approvals from the Stock Exchanges. Each Selling Shareholder will ensure that it will keep our Company, the BRLMs and investors informed of material developments in relation to statements and undertakings made by such Selling Shareholder with respect to itself and the Equity Shares offered by it in the offer for sale in the Red Herring Prospectus and the Prospectus until the time of the grant of final listing and trading approvals by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, but also to the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 136 and 300, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 13.

In this section, any reference to the "Company" refers to Dodla Dairy Limited on an unconsolidated basis. In this section, any reference to "we", "us" or "our" refers to Dodla Dairy Limited and its Subsidiaries and Associate Company on a consolidated basis. Unless the context requires otherwise, all financial information included herein is based on our Restated Consolidated Financial Information included in "Financial Statements" beginning on page 184.

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the report titled "Assessment of the Indian Dairy Industry" dated August 3, 2018 issued by CRISIL Limited (the "**Crisil Report**") on our request. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Crisil Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Risks relating to our Business

1. Our operations are dependent on the supply of large amounts of raw milk, and our inability to procure adequate amounts of good quality raw milk from farmers and third party suppliers, at competitive prices, may have an adverse effect on our business, results of operations and financial condition.

Our Indian operations are dependent on the supply of large amounts of raw milk, which is the primary raw material used in the manufacture of all our dairy products. As of May 31, 2018, our supply chain network consists of procurement of approximately 1.00 million litres of raw milk per day ("**MLPD**") from approximately 220,789 farmers, various third party suppliers/procurement agents across 7,598 villages and through our own Dodla Dairy Collection Centres as of May 31, 2018. We do not have any formal arrangements with farmers and therefore they are not obligated to supply their milk to us and they may choose to sell their milk to our competitors. Interruption of, or a shortage in the supply of raw milk may result in our inability to operate our production facilities at optimal capacities or at all, leading to a decline in production and sales. While we believe we have developed a strong relationship with these dairy farmers over the years, through continuous engagement and provision of cattle feed at cost price, we have not entered into any formal supply contracts with such dairy farmers. Also, the amount of raw milk procured and the price at which we procure such supplies, may fluctuate from time to time in the absence of a formal supply contract. The availability and price of raw milk is subject to a number of factors beyond our control including seasonal factors, environmental factors, general health of cattle in the regions in which we operate and Government policies and regulations. For instance, the volume and quality of milk produced by cows and buffalos is dependent upon the quality of nourishment provided by the cattle feed and could be adversely affected during period of extreme weather. Also, any disease or epidemic affecting the health of cows and buffalos in India, especially within our procurement regions, could significantly affect our ability to procure adequate amounts of raw milk. Further, any change in the policies of the Government or the respective State Governments where our operations are based, including those affecting the use or ownership of agricultural land or the dairy industry in general, could adversely affect our business and results of operations. We cannot assure you that we will be able to procure all of our raw milk requirements at prices acceptable to us, or at all, or that we may be able to pass on any increase in the cost of milk to our customers. Any inability on our part to procure sufficient quantities of raw milk and on commercially acceptable terms, could lead to a decline in our production and sales volumes and value, which could have an adverse effect on our business, results of operations and financial condition.

2. The supply of raw milk is subject to seasonal factors, and does not necessarily match the seasonal change in demand for our products. Consequently, our inability to accurately forecast demand for our products, may have an adverse effect on our business, results of operations and financial condition.

The supply of raw milk is subject to seasonal factors. Cows and buffalos generally produce more milk in temperate weather, and extreme cold or hot weather could lead to lower than expected production. Our raw milk procurement and production is therefore higher in the second half of the financial year during the winter months with temperate climate in our milk procurement region. In contrast, the demand for our products such as curd is higher in the first half of the financial year during summer months and the demand for *ghee* is higher during festive seasons. As a result, comparisons of our sales and operating results over different quarterly periods during the same financial year may not necessarily be meaningful and should not be relied upon as accurate indicators of our performance.

Further, while we forecast the demand for our products and accordingly plan our production volumes, any error in our forecast could result in surplus stock, which may not be sold in a timely manner. Each of our products has a specific shelf life and if not sold prior to expiry, may lead to losses or if consumed after expiry, may lead to health hazards. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition.

3. Our processing plants, procurement operations in relation to procurement of raw milk and distribution operations are primarily concentrated in southern India and any adverse developments affecting this region could have an adverse effect on our business, results of operations and financial condition.

As on the date of this Draft Red Herring Prospectus, we own and operate 11 processing plants located in the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka and we procure raw milk from these states. For Fiscal 2018, we derived approximately 96.28% of our standalone revenues from operations from the sale of milk and dairy based VAPs in the southern India. Any significant social, political or economic disruption, or natural calamities or civil disruptions in southern India, or changes in the policies of the state or local government of the region or the Government of India, could require us to incur significant capital expenditure, change our business structure or strategy, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

4. Any significant interruption in continuing operations of our chilling centres could have a material adverse effect on our business, results of operations, cash flows and financial condition.

As of May 31, 2018, we owned and operated 78 chilling centres in order to preserve the freshness of the raw milk. These centres are subject to risks such as equipment breakdowns, labour stoppages, natural disasters, directives from government agencies, water shortages and power interruptions. Any significant malfunction or breakdown of our machinery located at such centres may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair the malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. Our primary raw material, raw milk, is a perishable product and consequently, any malfunction and break down of the cold storage facility may affect the raw milk, which has a limited shelf life, and this could result in slow down or underutilisation of our processing plants or cessation of our operations which may adversely affect our business, results of operations, cash flows and financial condition.

5. Improper storage, processing or handling of raw milk and our dairy products may result in spoilage of, and damage to, such raw milk and dairy products which may adversely affect our business prospects, results of operations and financial condition.

We produce a range of dairy products from raw milk, including standardised milk, full cream milk, toned and double toned milk, curd, SMP, clarified butter (*ghee*), paneer, butter, buttermilk and ice cream. Each such dairy product involves specific temperatures and other conditions of storage depending on the nature of the product. In the event that the procured raw milk or our dairy products are not appropriately processed, stored, handled and transported under specific temperatures and other food safety conditions, the quality of such raw milk and dairy products may be affected, resulting in spoilage or delivery of products of sub-standard quality. Any accident or negligence in the procurement, production or storage of our products under sub-optimal conditions may result in non-compliance with applicable regulatory standards or quality standards and storage conditions specified by our customers for such products. Any sale of such non-compliant product may be harmful to the health of end consumers of our dairy products, and any such event may expose us to liabilities and claims which could adversely affect our brand image and reputation. Any such event may have a material and adverse effect on our business prospects, results of operations and financial condition.

6. Our Promoter, Dodla Sunil Reddy, has been named as a respondent in certain criminal proceedings

Our Promoter, Dodla Sunil Reddy, has been named as a respondent in certain criminal proceedings. For instance, a criminal complaint has been filed by the Inspector of Factories, Chittoor (FAC) against the plant manager of the Palamaner Unit and our Managing Director, Dodla Sunil Reddy, before the Court of the Judicial First Class Magistrate, Palamaner for alleged violations

Section 6 and Section 41 of Factories Act and certain rules of the Andhra Pradesh Factories Rules, 1950. The aforementioned proceedings against Dodla Sunil Reddy are currently pending, and there can be no assurance that the relevant judicial forums will dismiss the complaints or rule in favour of the respondents. Any conviction of Dodla Sunil Reddy or any decision which is not in favour of the persons named in the complaints for the alleged offences may lead to negative publicity and affect our business, reputation and results of operations. For further details, see "*Outstanding Litigation and Material Developments- Outstanding Criminal Litigations against our Promoters*" on page 323.

7. Any actual or alleged contamination or deterioration of our products or our raw materials could result in legal liability, damage our reputation and adversely affect our business prospects and consequently our financial performance.

We are subject to risks affecting the dairy industry, including risks posed by the following:

- contamination/ spoilage of raw materials;
- consumer product liability claims;
- product tampering;
- product labelling errors;
- the expense and possible unavailability of product liability insurance; and
- the potential cost and disruption of product recalls.

Any actual or alleged contamination or deterioration of our products, whether deliberate or accidental, could result in legal liability, damage to our reputation and may adversely affect our business prospects and consequently our financial performance. Our primary and critical raw material is raw milk. The risk of contamination or deterioration exists at each stage from procurement of raw milk from the farmers, transportation of the raw milk to our chilling centres and processing plants, processing of raw milk into processed milk or conversion of raw milk into value added products and distribution of our products to distributors or our Dodla Retail Parlors until final consumption by consumers. While we follow stringent quality control processes and quality standards at each stage, there can be no assurance that our products will not be contaminated or suffer deterioration. Further, there can be no assurance that contamination of our raw materials or products will not occur during the transportation, production, distribution and sales processes due to reasons unknown to us or beyond our control. If our products or raw materials are found to be spoilt, contaminated, tampered with, incorrectly labelled or reported to be associated with any such incidents, we may be forced to recall our products from the market and we could incur criminal or civil liability for any adverse medical condition or other damage resulting from consumption of such products.

Further, contamination of any of our products could also subject us to product liability claims, adverse government scrutiny, investigation or intervention, product return, resulting in increased costs and any of these events could have a material and adverse impact on our reputation, business, financial condition, cash flows, results of operations and prospects. We are facing allegations from third parties in relation to our products being adulterated. For example, R. Karthikeyan has filed a public interest litigation against the Government of Tamil Nadu and various dairy companies including us alleging adulteration of milk and praying for testing of random milk packets produced by various dairy companies including us to be tested in food laboratories. Any negative claim against us, even if meritless or unsuccessful, could divert our management's attention and other resources from other business concerns, which may adversely affect our business and results of operations. For further details, see "*Outstanding Litigation and Material Developments*" on page 322.

8. The dairy products business in India is evolving rapidly and is highly competitive and an inability to compete effectively with established and new competitors may adversely affect our growth prospects, results of operations and financial condition.

The dairy products industry in India is highly competitive, especially the markets for pasteurized milk, UHT milk, flavoured milk, curd and ice cream. These products are experiencing rapid development and increasing competition. We currently compete, and in the future will continue to compete, with large multinational companies as well as regional and local companies in each of the regions in which we operate. We compete not only with widely advertised and established branded products, but also with non-premium dairy producers as well as private and economy brand products that are generally sold at lower prices. Many of our competitors may have substantially greater financial and other resources and may be better established with greater brand recognition than us. Our competitors in certain regional markets may also benefit from raw material sources or production facilities that are closer to the markets for their products. In addition, a number of our competitors have also engaged in increased integration within the value chain, including collaboration with their existing business partners or other international institutions that produce or supply cattle feed, and other strategic initiatives that could enhance or expand their current operations or products or that might otherwise offer them with growth opportunities. Such strategic moves may lead to a more competitive environment. These initiatives undertaken by our competitors may require us to make further investments on backward integration initiatives such as manufacture of cattle feed, increased quality control, product development, product distribution, and aggressive marketing and promotional initiatives in order to maintain our market share and strengthen our retail consumer brands. We also compete with traditional milkmen and vendors operating in the unorganised sector. As a result, we cannot assure you that we will be able to

compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

A failure to introduce distinctive brands, packaging and products that differentiate us from our competitors may result in loss of existing market share and failure to expand our retail consumer business or expand into new markets. Some of our competitors have used, and we expect them to continue to use, greater amounts of incentives and subsidies for distributors and retailers and more advanced processes and technologies. In addition, significant increase in advertising expenditures and promotional activities by our competitors may require us to similarly increase our marketing expenditure for our growing retail consumer business, engage in effective pricing strategies, which may result in dilution of our margins and materially and adversely affect our business, results of operations and financial condition.

9. Our inability to compete with dairy cooperatives may adversely affect our results of operations and financial conditions.

In addition to large multinational companies and regional and local companies in each of the regions in which we operate, we also compete with large dairy cooperatives that also procure milk from farmers in the regions where we procure our milk, and any grants, financial assistance or other incentives by the GoI or State governments to such dairy cooperatives would benefit such entities, and could adversely affect our direct milk procurement model and registered milk vendors. As a result, we cannot assure you that we will be able to compete successfully in the future against existing or potential dairy cooperatives or that our business and results of operations will not be adversely affected by increased competition.

10. The success of our business strategy depends upon our ability to enhance our brands. Further, if we fail to maintain and enhance our brand and reputation, consumers' recognition of our brands, and trust in us, our products, and are unable to maintain and grow our brand image, our business may be materially and adversely affected.

Enhancing our brands is a key component of our business strategy in order to expand sales and volumes and to respond to the changing customer landscape. Consumers in existing or new markets are likely to be unfamiliar with our brand and products and we may need to build or increase brand awareness in the relevant markets by increasing investments in advertising and promotional activities than we originally planned. We may also face competition with the established brands in the new markets we intend to enter. We have incurred, and may continue to incur in the future, significant expenditures for advertising and marketing campaigns in an effort to build brand awareness and preference over other public and private label products. We may not be successful in our efforts to expand our brand presence and we cannot guarantee that our advertising and marketing campaigns will result in customer or consumer acceptance of our brands.

Our business depends significantly on the strength of our brand and reputation in marketing and selling our products. We believe that continuing to develop awareness of our brand, through focused and consistent branding and marketing initiatives is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets. Consequently, product contaminations and defects, consumer complaints, or negative publicity or media reports involving us, or any of our products could harm our brand and reputation and may dilute the impact of our branding and marketing initiatives and adversely affect our business and prospects. Negative media coverage regarding the safety, quality or nutritional value of our products, and the resulting negative publicity, could materially and adversely affect the level of consumer recognition of, and trust in, us and our products. In addition, adverse publicity about any regulatory or legal action against us could damage our reputation and brand image, undermine our consumers' confidence in us and reduce long-term demand for our products, even if the regulatory or legal action is unfounded or immaterial to our operations. Additionally, any delinquent publicity of India's dairy industry relating to food safety, including contamination, due to adulterated supplies of raw materials and inadequate enforcement of food-safety regulations and inspection procedures, which may not have a direct connection with us, may negatively influence consumer perception and demand for our products, which in turn could adversely affect our results of operations.

Our success in marketing our products also depends on our ability to adapt to a rapidly changing marketing and media environment, including our increasing reliance on direct marketing initiatives. The impact of our marketing initiatives may not be as effective as we anticipate. If we do not successfully maintain, extend and expand our reputation and brand image, then our brands, product sales, financial condition and results of operations could be materially and adversely affected.

We are one of the leading manufacturers and marketers of dairy based food products and our flagship brands '*Dodla Dairy*' (for our India operations) and '*Dairy Top*' (for our Africa operations). Our brand and reputation are among our most important assets and we believe our brands serve in attracting customers to our products in preference over those of our competitors. We believe that continuing to develop awareness of our brands, through focused and consistent branding and marketing initiatives, among retail consumers and institutional customers, is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets. Consequently, any adverse publicity involving us, or any of our products may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects.

11. Failure to comply with environmental laws and regulations could lead to unforeseen environmental litigation which could impact our business and our future net earnings.

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. We have in the past received notices from the Andhra Pradesh Pollution Control Board for establishment of a new boiler without the relevant permissions and for discharge of untreated effluents outside our premises at Sattenepalli. Further, we have in the past operated our Tumkur processing plant without obtaining a valid consent to operate. We have also made applications for pollution clearances for our processing plants. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our facilities. For further details, see "*Outstanding Litigation and Material Developments*" on page 322.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict. For further information, see "*Regulations and Policies*" on page 151.

12. Our inability to expand or effectively manage our third-party agents and distributors or any disruptions in our supply or distribution infrastructure may have an adverse effect on our business, results of operations and financial condition.

We rely largely on third-party agents and distributors to sell our products to retailers who place our products in the market. As of May 31, 2018, our distribution network included 3,329 distribution agents, 379 milk distributors and 446 milk product distributors across nine states in India. Our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network consisting of third-party distribution agents and distributors. We continuously seek to increase the penetration of our products by appointing new third party agents and distributors to ensure wide distribution network targeted at different consumer groups and regions. We cannot assure you that we will be able to successfully identify or appoint new third party distribution agents or distributors or effectively manage our existing distribution network. Any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to renew agreements with third party distribution agents and distributors;
- failure to maintain relationships with our existing third party distribution agents and distributors;
- failure to establish relationships with new third party distribution agents and distributors on favorable terms;
- ability to timely identify and appoint additional or replacement third party distribution agents and distributors upon the loss of one or more of our third party agents and distributors;
- reduction, delay or cancellation of orders from one or more of our third party distribution agents and distributors; and
- disruption in delivering of our products by third party agents and distributors.

We may not be able to compete successfully against larger and better-funded distribution networks of some of our current or future competitors, especially if these competitors provide their distributors with more favorable arrangements. If the terms offered to such distributors or agents by our competitors are more favourable than those offered by us, our third-party distribution agents and distributors may decline to distribute our products and terminate their arrangements with us. We cannot assure you that we will not lose any of our third party agents and distributors to our competitors, which could cause us to lose some or all of our favorable arrangements with such third party distribution agents and distributors and may result in the termination of our relationships with other third party distribution agents and distributors. Further the costs related to the collection, distribution and production of our dairy products such as freight and other costs will also have an effect on our production costs and effect on our results of operations. If any of our contracts with these suppliers are disrupted, then we may not be able to find suitable replacements in a timely manner or at all, or on commercially acceptable terms, and this could constrain or disrupt reliability of supply and have an adverse effect on business and profitability.

Alternately, if our third party agents distribution and distributors are not able to maintain a strong network of distribution, our products may not attain as much reach as our competitors in the market and we may lose market share which may have a material adverse effect on our results of operations.

13. Failure to adapt our product offerings to the changing consumer preferences may have a material adverse effect on our business, results of operations, profitability and financial condition.

The dairy industry in India is evolving and consumers may be tempted to shift their choices and preferences when new products are launched or various marketing and pricing campaigns of different brands are introduced. Our future growth depends on our ability to continue to increase our revenues and margins from our dairy based value added products ("**VAPs**").

While we believe our current VAPs are in line with changing consumer preferences, we may not be able to adapt or our products may not meet the desired success, or our competitors may respond to such changing consumer preferences more effectively and successfully. An unanticipated change in customer demand may adversely affect our liquidity and financial condition as a result of operating expenses that are relatively fixed and have been incurred by our Company. The success of our VAPs depend on our ability to accurately anticipate the tastes and dietary habits of consumers and to offer products that appeal to their preferences and fall within a price range acceptable to them. Acceptance of our VAPs and by consumers may not be as high as we anticipate. Further, our VAPs may fail to appeal to the consumers, either in terms of taste or price. We may not be able to introduce new products that are fast-growing due to shift in consumer preferences or generate acceptable margins. To the extent we are unable to execute our strategy to increase our revenues and margins from our VAPs, our market share and financial performance would be adversely affected.

14. Failure to effectively manage our future growth and expansion may have a material adverse effect on our business prospects and future financial performance.

Our future growth depends, amongst other factors, on expanding our operations domestically and internationally by way of organic and inorganic growth by establishing new processing plants. Our ability to achieve growth will be subject to a range of factors, including:

- Setting up of new processing plants in a timely manner;
- competing with existing companies in our markets;
- establishing our presence in new territories;
- strengthening our existing relationships with our distributors;
- expanding our sales network;
- continuing to exercise effective quality control;
- hiring and training qualified personnel; and
- maintaining our high food-safety standards.

Our future growth also depends on expanding our sales and distribution network to enter new markets in new geographies, through different sales channels. We face increased risks when we enter new markets, either India or abroad. We are also subject to various policies of the countries or jurisdictions, relating to the quantity, quality, characteristics and variety of the products sold to such countries, which may be required to be upgraded or changed from time to time. We may find it more difficult to hire, train and retain qualified employees. As a result, the products we introduce in new markets may be more expensive to produce and/or distribute and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viability of these operations or our overall profitability.

Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. There can be no assurance that we will be able to achieve our business strategy of expanding into existing or new territories and expanding our product portfolio.

15. We do not have long term agreements with suppliers for our raw materials other than raw milk and an increase in the cost of or a shortfall in the availability of such raw materials could have an adverse effect on our business, results of operations and financial condition.

Apart from raw milk, we require skimmed milk powder and butter for our operations. The price and availability of these raw materials depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. We usually do not enter into long term supply contracts with any of the raw material suppliers and typically place orders with them in advance of our anticipated requirements. The absence of long term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on terms acceptable us, may adversely affect our operations.

16. Any inability to accurately manage inventory and forecast demand for particular products in specific markets may have an adverse effect on our business, results of operations and financial condition.

We estimate demand for our products based on projections, our understanding of anticipated consumer spending and inventory levels with our distribution network. If we underestimate demand, we may produce lesser quantities of products than required, which could result in the loss of business. If we overestimate demand, we may purchase more raw materials and produce more products than required, which may also result in locking in of our working capital. In the event of such over-production, we may face difficulties with storage and other inventory management issues before the expiry of the shelf life of our products, which may adversely affect our results of operations and profitability. In addition, even if we are able to arrange for sale of such stock, we cannot ensure that such products are not sold or consumed by consumers subsequent to the expiry of the shelf life, which may lead to health hazards. While we prominently display the shelf life in the packaging of our products, we cannot assure you that we will not face claims for damages or other litigation, if our products are consumed subsequent to expiry of their shelf life. Any or all of these factors could adversely affect our reputation, and consequently our business, prospects and financial performance.

17. Any disruption in transportation arrangements may adversely affect our results of operations.

We rely on third party logistic providers to transport raw milk to our processing plants and our finished products to customers, distributors and a large number of retail outlets. We do not have any long term arrangement with such third party logistic providers. We may be affected by transport strikes, which may affect our delivery schedules. If we are unable to secure alternate transport arrangements in a timely manner, or at all, our business, results of operations and financial condition may be adversely affected. Transportation of raw milk and finished products require specially insulated and refrigerated vehicles. Raw milk and finished products may be lost, damaged or subject to spoilage and may result in or delivery of products of sub-standard quality, if specific transportation conditions, including specified temperatures, are not maintained by such transportation providers. Any delay in delivery of raw milk and finished products may also affect our business adversely. There are a limited number of such specialized transportation providers and an inability to ensure adequate and appropriate transportation facilities in a timely manner, or at all, could adversely affect our business operations.

18. There are outstanding legal proceedings involving our Company, Directors and Promoters which may adversely affect our business, financial condition and results of operations.

There are outstanding legal proceedings involving our Company, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations.

A summary of the outstanding proceedings involving our Company, Directors and Promoters as disclosed in this Draft Red Herring Prospectus, to the extent quantifiable, have been set out below:

Litigation against our Company

S. No.	Nature of Case	Number of outstanding cases	Amount involved (in ₹ million)
1.	Criminal cases	7	Non-quantifiable
2.	Taxation matters	9	86.43
3.	Civil cases	1	Non-quantifiable
4.	Outstanding actions initiated by regulatory and statutory authorities	6	Non-quantifiable

Litigation by our Company:

S. No.	Nature of Case	Number of outstanding cases	Amount involved (in ₹ million)
1.	Criminal cases	3	5.32

Litigation against our Directors:

S. No.	Nature of Case	Number of outstanding cases	Amount involved (in ₹ million)
1.	Criminal Cases	5	Non-quantifiable

Litigation against our Promoters:

S. No.	Nature of Case	Number of outstanding cases	Amount involved (in ₹ million)
1.	Criminal Cases	5	Non-quantifiable

In addition to the cases described above, we have also received 35 notices and intimations from various statutory and regulatory authorities to which we have replied or are in the process of replying. For further details of legal proceedings and notices involving our Company, Directors and Promoters, see "*Outstanding Litigation and Material Developments*" beginning on page 321.

We cannot provide assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

19. The loss, shutdown or slowdown of operations at any of our processing plants or the under-utilization of any such processing plants may have a material adverse effect on our results of operations and financial condition.

Our business and results of operations are dependent on our ability to effectively plan our production processes and on our ability to optimally utilize our production capacities for the various dairy products we process or manufacture. Any disruption to our production process or the operation of our processing plants may result from various factors beyond our control, including, among others, the following:

- forced close down or suspension of our production facilities due to factors such as breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes such as strikes and work stoppages, natural disasters and industrial accidents. For instance, an inspection order dated June 20, 2017 was received by our Company from Deputy Chief Inspector of Factories, Chittoor in relation to the death of a contract worker due to electrocution at our processing plant situated at Palamaner. For further information, see see "*Outstanding Litigation and Material Developments*" on page 321;
- severe weather condition;
- interruption of our information technology systems that facilitate the management of our production facilities; and
- other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes in the types of products produced or physical limitations that could impact continuous supply.

Although our processing plants have not experienced any material disruption in the past, there can be no assurance that there will not be any material disruption to our operations in the future. If we fail to take adequate steps to mitigate the likelihood or potential impact of these events, or to effectively respond to these events if they occur, our business, results of operations and financial condition could be materially and adversely affected. Further, we depend upon our suppliers and vendors to provide the necessary equipment and services that we need for our continuing operations and maintenance of our facilities, plant and machinery. We cannot assure you that we will be able to continue to obtain equipment on commercially acceptable terms, or at all, or that our vendors will continue to enter into or honor the contracts for their services. Our inability to continue to obtain equipment and enter into contracts with our vendors in a timely manner, or at all, could adversely affect our business and results of operations.

20. One of our Directors', Dodla Sesha Reddy is unable to trace documents evidencing his educational qualification

Dodla Sesha Reddy, one of our Directors' is unable to trace documents in relation to his educational qualifications. While he has made an application to his university and provided an affidavit, we cannot assure you that the information relating to such Director in "Our Management" is true and accurate. The information included in the section is also supported by certificates from such Director.

21. Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.

Our Indian operations are subject to extensive government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals under the Food Safety and Standards Act, 2006 (the "**FSSA**"), Water (Prevention and Control of Pollution) Act, 1974, environmental approvals, Legal Metrology Act, 2006, factory licenses and labour and tax related approvals. These safety, health and environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our production operations. Our African Subsidiaries are subject to extensive government regulation and are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals under the Uganda National Bureau of Standards, Uganda for Lakeside Dairy Ltd and unified business permit and tax registrations for Dodla Dairy Kenya Limited.

We have made applications for various approvals. There can be no assurance that the relevant authorities will issue such permits or approvals in time or at all. Failure or delay in obtaining or maintaining or renew the required permits or approvals within applicable time or at all may result in interruption of our operations. Further, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business. For further details see "*Government and Other Approvals*" on page 325.

We engage various contractors at our processing plants. We cannot assure you that the contractors operating our processing plants will be able to obtain and maintain relevant approvals for continuous operations of such facilities. Failure of the contractors to maintain requisite government approvals may lead to a disruption in the production and supply of our products and may adversely affect our results of operations. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant Central or State government authorities for renewal of such licenses, consents, registrations, permissions and approvals or is in the process of making such applications.

22. We did not have adequate controls for managing our historical secretarial records and compliances as a result of which there have been certain inaccuracies and non-compliances with respect to certain provisions of the Companies Act, applicable FEMA regulations, regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected.

In the past, our controls and compliances for managing our secretarial records and compliances have been inadequate as a result of which there have been factual inaccuracies, non-compliances with certain provisions of the Companies Act, 1956, Companies Act, 2013 and FEMA regulations, and delays and failures in making certain regulatory filings by our Company. For instance, we have made filings for condonation of delay for non-compliances in relation to non-filing of Form 23 for (i) issue of preference shares on September 30, 2000, (ii) issue of Equity Shares on September 30, 2000 and (iii) for the appointment of our Managing Director for five years for the period 2011-2016. Additionally, we have also incorrectly filed form DIR-12 in relation to the appointment of our whole-time Director Madhusudhana Reddy Ambavaram. We have also filed a condonation of delay application for the non-filing of Form 5 for the redemption of our preference shares. This may subject us to regulatory actions and/ or penalties which may adversely affect our business, financial condition and reputation.

We have been unable to trace these documents despite conducting a search at the relevant Registrar of Companies, and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings as of the date of this Draft Red Herring Prospectus, we cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records. Additionally, our Company had filed a declaration under the Company Law Settlement Scheme, 2000 ("**Settlement Scheme**") for non-filing of annual returns of our Company from the year 1996 to 1999 and for a delay in filing of the return of allotment form for the allotment made on December 23, 1998. While we have paid the necessary fees for the aforementioned non-compliances, we cannot assure you that we will not be subject to regulatory action or penalties in this regard. Any penalties or fines imposed on us in this regard could have a material adverse effect on our financial condition and reputation.

Further, in the past we have made compounding applications for the contravention of Section 185 of the Companies Act, 2013, Section 295 and Section 297 of the Companies Act, 1956 before the RoC. Additionally, we have also filed an application for condonation of delay with respect to a delay in filing of a special resolution as required under the provisions of Section 185 and Section 117 of the Companies Act, 2013. While we have received compounding and condonation orders for these violations we cannot assure you that we will not be subject to regulatory action or penalties in this regard in the future.

Further, we have not obtained unique identification numbers and/ or unique registration numbers for 88,255 Equity Shares of our Company, amounting to 0.16% our paid-up equity share capital as on the date of this Draft Red Herring Prospectus, which have been allotted or transferred to non-resident shareholders. We have subsequently sought to address the irregularities in respect of allotments made to non-residents by making the necessary representations and filings with the RBI. Subsequently, we have made a compounding application dated July 28, 2018 with the RBI for compounding the below mentioned contraventions

- Non-filing of FC(RBI) and FIRC within thirty days from date of issue and receipt of money respectively for 88,255 Equity Shares allotted to International Media and Cultures (IMAC) on December 23, 1998.

The actual amount of the penalty imposed cannot be ascertained at this stage and depends on the circumstances of each compounding matter. In the event our Company fails to complete the compounding process, or fails to comply with the compounding order, the contraventions will survive and shall be subject to action by the Directorate of Enforcement which may be initiated against our Company or against the holders of the Equity Shares. We cannot assure you that the RBI will condone these irregularities or that the penalty imposed will be reasonable and that it will not have a material adverse effect on our financial condition or that we will pay such amounts in time or at all.

Additionally, our Company had invested certain amounts and incorporated a subsidiary company, Dodla Milk Processing PLC ("**DMPL**"), in Ethiopia in 2014. The investment was made through the Overseas Direct Investment ("**ODI**") route as prescribed under the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004 ("**FEMA 120**") . However due to infeasible conditions, we decided to dissolve DMPL without commencing any operations. No shares were allotted to our Company against the investment made and no Annual Performance Reports ("**APRs**") were filed. Our Company

had submitted a letter dated February 17, 2017 to our AD bank in relation to certain filings for DMPL. Subsequently we received a letter dated April 20, 2017 notifying our Company of the violations of FEMA 120 which consisted of a failure to submit share certificates within the prescribed period of six months in accordance with Regulation 15(1) of FEMA 120 and failure to submit APRs in accordance with Regulation 16 of FEMA 120. Subsequently, we have made a compounding application dated May 10, 2017 with the RBI for compounding of the aforementioned contraventions. We have received a compounding order dated September 28, 2017 from the RBI compounding the violations and imposing a penalty of ₹40,000 on our Company. While this offence has been compounded, we cannot assure you that we will not be subject to regulatory action or penalties in this regard. Any penalties or fines imposed on us in this regard could have a material adverse effect on our financial condition and reputation.

23. A shortage or non-availability of electricity, gas or water may adversely affect our processing or manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our processing plants require a significant amount and continuous supply of electricity and water and any shortage or non-availability may adversely affect our operations. Particularly, all of our processing plants require a significant amount and continuous supply of electricity and fuel and any shortage or non-availability of electricity and fuel may adversely affect our operations. Further, our raw materials and our products, being perishable in nature, are required to be stored at specific temperatures, supported by continuous supply of electricity and if supply of electricity is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. We depend on state electricity supply for our energy requirements and bore wells for water supply at our facilities. For further information, see "*Government and Other Approvals*" beginning on page 325. Any failure on our part to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

24. If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.

As of June 30, 2018, we had a total outstanding indebtedness of ₹909.02 million comprising of long term borrowings of ₹291.88 million and short term borrowings of ₹617.14 million. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates; and
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements.

We have, in the past, breached covenants in relation to a term loan facility availed from Standard Chartered Bank. These breaches were due to (i) an increase of Debt/EBITDA number which exceeded the threshold of 2.75, which we were required to maintain, to 3.52, in Fiscal 2015; and (ii) a loan condition breach that included shortfall in cash flow. The breaches of the aforementioned covenants have been subsequently waived by Standard Chartered Bank. Additionally, we have failed to maintain a financial ratio in relation to a loan facility availed from The Hong Kong Shanghai Banking Corporation Limited ("**HSBC**"). This non-compliance has been subsequently condoned by HSBC.

Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. Under these agreements, we also require lender consents for undertaking an initial public offering of our Equity Shares including consequential corporate actions and we have obtained such consent from the lenders. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others, change in the capital structure, amendment of constitutional documents, any merger, reorganization or similar action and a failure to observe the restrictive covenants under our financing agreements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Further, during any period in which we are in default, we may be unable to obtain further financing or any refinancing of our debt could be at higher rates of interest with more onerous covenants. In addition, lenders may be able to sell our assets charged under such financing arrangements to enforce their claims. For further details, see "*Financial Indebtedness*" beginning on page 319.

Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

25. Any loss of business or potential adverse publicity resulting from spurious or imitation products, could result in loss of goodwill for our products leading to loss of sales, and adversely affect our business, prospects, results of operations and financial condition.

We are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including spurious or imitation products. For example, products imitating our brands and packaging material selling spurious products may adversely affect sale of our products, resulting in a decrease in market share resulting from a decrease in demand for our products. Such imitation or spurious products may not only result in loss of sales but also adversely affect the reputation of our products and consequently our future sales and results of operations. The proliferation of spurious and imitation products in our territories and sub-territories, and the time and resources utilized in taking action against such spurious products, defending claims and complaints regarding these spurious products, and in initiating appropriate legal proceedings against offenders who infringe our intellectual property rights, could result in lower sales, and adversely affect our results of operations and may have a material and adverse effect on our reputation, business, prospects, results of operations and financial condition.

26. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are highly dependent on our Directors, senior management and other key personnel for setting our strategic business direction and managing our business. Our senior management team and sales team have extensive experience in the dairy industry in India. Our individual Promoter, Managing Director, Dodla Sunil Reddy, our chairman, Dodla Sesha Reddy and our chief executive officer, Venkat Krishna Reddy Busireddy, have over 20 years each in the dairy industry. We have not obtained any key man insurance with respect to such individuals. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of the services of our Directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Competition for qualified personnel with relevant industry expertise in India is intense due to the scarcity of qualified individuals in the industry in which we operate. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. A loss of the services of our key personnel could adversely affect our cash flows, business, financial condition, results of operations and prospects.

27. A number of our properties are not registered in our name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.

A number of our properties including some of our processing plants, chilling centres and Dodla Dairy Collection Centres are located on leased premises. These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing facilities on terms favourable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

28. Our business does not involve long term purchase arrangements and we rely on indents from third-party agents and distributors and franchisees (for our Dodla Retail Parlors) that determine the terms of sales of our products. As a result, our sales may fluctuate significantly as a result of changes in our third-party agents and distributors' preferences.

Our business does not involve long-term purchase agreements and we rely on indents from third-party agents and distributors and franchisees (for our Dodla Retail Parlors). However, indents may be amended or cancelled prior to finalization, and in such event, an amendment or cancellation may take place, and we may be unable to seek compensation for any surplus products that we produce. We have not entered into any agreements with our third-party distribution agents and distributors for distribution of our products and there is no firm commitment on part of our third-party agents and distributors to continue to pass on new purchase orders to us and we may not be able to track their activities including in relation to marketing and selling of products. Any failure to meet our third-party distribution agents and distributors' and franchisees' expectation could result in the cancellation or non-renewal of indents. In cases where we have entered into agreements with third-party agents and distributors, such contracts do not bind them to provide us with a specific volume of business and can be terminated by them for cause. Additionally, these third-party agents and distributors also stock products of multiple manufacturers, who could be our competitors. As a result, our sales may fluctuate significantly as a result of changes in our third party agents' and distributors' preferences.

29. If we are not able to successfully identify and integrate any future acquisitions, it could have a material adverse effect on our growth strategy, business, financial condition, results of operations and prospects.

We evaluate potential acquisition targets from time to time, and we may in the future seek to acquire businesses and assets in order to expand our operations and brand portfolio or to enter new markets. Further, in the past we have acquired certain processing plants and chilling centers. The completion of acquisitions and, if completed, the successful integration of such newly acquired businesses into our operations may be difficult for a variety of reasons, including differing culture or management styles, poor records or internal controls and difficulty in establishing immediate control over cash flows. As a result, potential future acquisitions pose significant risks to our existing operations, including:

- additional demands placed on our senior management, who are also responsible for managing our existing operations;
- increased overall operating complexity of our business, requiring greater personnel and other resources;
- additional cash expenditures to integrate acquisitions;
- incurrence of additional debt to finance acquisitions and higher debt service costs related thereto; and
- the need to attract and retain sufficient numbers of qualified management and other personnel.

Moreover, when making acquisitions it may not be possible for us to conduct a detailed investigation of the nature of the assets being acquired due to, for example, time constraints in making acquisition decisions and other factors. We may also become responsible for additional liabilities or obligations not foreseen at the time of an acquisition. Moreover, even if we are successful in integrating newly acquired assets and acquiring additional assets, expected synergies and cost savings may not materialise, resulting in lower than expected benefits from such acquisitions.

30. Stringent food safety, consumer goods, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.

Our operations are subject to stringent health and safety laws as our products are for human consumption and are therefore subject to various industry specific regulations. We may also be subject to additional regulatory requirements due to changes in governmental policies. Further, we may also incur additional costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. We are subject to various central, state and local food safety, consumer goods, health and safety and other laws and regulations. These relate to various issues, including food safety, food ingredients, and food packaging requirements, and the investigation and remediation of contamination. We have in the past paid penalties under the FSSA for substandard quality of milk, curd and SMP. For details, see "*Outstanding Litigation and Material Developments*" on page 321.

These laws and regulations are increasingly becoming stringent and may in the future create substantial compliance or remediation liabilities and costs. These laws may impose liability for non-compliance, regardless of fault. Other laws may require us to investigate and remediate contamination at our facilities and production processes. While we intend to comply with applicable regulatory requirements, it is possible that such compliance may prove restrictive, costly and onerous and an inability to comply with such regulatory requirement may attract penalty. For details see, "*Government and Other Approvals*" and "*Regulations and Policies*" beginning on pages 325 and 151, respectively.

31. Failure to realize anticipated benefits from various initiatives introduced to enhance productivity and improve operating efficiencies may adversely affect our business, results of operations, cash flows and financial condition.

Our future success and profitability depend in part on our ability to reduce costs and improve efficiencies. Our productivity initiatives help fund our growth initiatives and contribute to our results of operations. We continue to implement strategic plans that we believe will position our business for future success and long-term growth by enabling us to achieve a lower cost structure and operate more efficiently in the highly competitive dairy industry. In order to capitalize on our cost reduction efforts, it will be necessary to make certain investments in our business, which may be constrained by the amount of capital investments required. In addition, it is critical that we have the appropriate personnel in place to continue to lead and execute our growth strategy. If we are unable to successfully implement our productivity initiatives in a timely manner or at all, do not achieve expected savings as a result of these initiatives or incur higher than expected or unanticipated costs in implementing these initiatives, our business, results of operations, cash flows and financial condition may be adversely impacted.

32. Technology failures or advancements could disrupt our operations and adversely affect our business operations and financial performance.

IT systems are critical to our ability to manage our large production operations and distribution network and in turn, to maximize efficiencies and optimize costs. Our IT systems enable us to coordinate our operations, from planning, production scheduling and raw material ordering, vehicle loading, customer delivery, invoicing, customer relationship management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Our IT systems, and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, telecommunications failures, computer viruses, hackers

and other security issues. IT interruptions and system failures could have a material and adverse effect on our ability to realise the anticipated improvements in productivity and efficiency.

Additionally, we use advanced technology systems to manage our raw milk procurement, processing as well as distribution operations. A fault in or disruption to our information technology systems could cause disruption to our business. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete. Failure to keep up to date with such changes could result in our competitors having an advantage over us, which could impact negatively upon both our financial performance and our reputation. Any significant upgrade to or replacement of our systems could require considerable capital expenditure, which could affect our results of operations and financial condition.

33. There have been instances of non-compliances with certain compliance centric provisions of legislations such as the Factories Act, 1948, FSSA, Electricity Act, 2003, Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

For instance, in the past our Company has failed (i) to conduct medical examinations of our employees as provided under the provisions of the Factories Act, 1948; (ii) to file details of solid and liquid waste generated per day to the concerned state pollution board as provided for under the provisions of the Factories Act, 1948; (iii) to display details of penal consequences at conspicuous place at our Nellore and Sattenpalle processing plants as required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; (iv) to file returns of water usage at our Palacode plant as required under the provisions of the Water (Prevention and Control of Pollution) Cess Rules,1978; (v) to sell hazardous waste in the manner as required under the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 and; (vi) to display our FSSAI license at a conspicuous place at certain of our plants. Additionally, our Subsidiary, DDKL had defaulted with respect to its PAYE income tax obligations in Kenya for the period December 1, 2017 to December 31, 2017. While, DDKL has addressed the waiver application and filed with the Kenya Revenue Authority, in the event that the Kenya Revenue Authority does not grant the waiver, DDKL will have to pay the penalty and any accrued interest thereon. As we continue to grow, there can be no assurance that there will be no other instances of statutory non-compliance/ delays by our Company or its Subsidiaries.

34. Certain of our financing agreements involve variable interest rates and any increase in interest rates may adversely affect our results of operations and financial condition.

We are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the rate of interest charged to us is subject to revision on the basis of the prevailing money market conditions and the base rate that depends on the policies of the RBI. See "*Financial Indebtedness*" beginning on page 319 for a description of interest payable under our financing agreements. Further, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

35. The emergence of modern trade channels in the form of hypermarkets, supermarkets and online retailers may adversely affect our pricing ability, and result in temporary loss of retail shelf space and disrupt sales of food products, which may have an adverse effect on our results of operations and financial condition.

India has recently witnessed the emergence of hypermarkets, supermarkets and online retailers and the market penetration of large scaled organized retail in India is likely to increase further. While we believe this provides us with an opportunity to improve our supply chain efficiencies and increase the visibility of our brands, it also increases the negotiating position of such stores. We cannot assure you that we will be able to negotiate our distribution agreements, specially our pricing or credit provisions, on terms favourable to us, or at all. Any inability to enter into distribution agreements and on terms favourable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition.

From time to time, retailers change distribution centers that supply products to some of their retail stores. If a new distribution center has not previously distributed our products in that region, it may take time to get a retailer's distribution center to begin distributing new products in its region. Even if a retailer approves the distribution of products in a new region, product sales may decline while the transition in distribution takes place. If we do not get approval to have our products offered in a new distribution region or if getting this approval takes longer than anticipated, our sales and operating results may suffer.

36. Any delay or default in payments from third party agents, distributors and franchisees could result in the reduction of our profits.

All our sales are made through third-party distribution agents and distributors and franchisees (for our Dodla Retail Parlors) and credit extended is included in such sales. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. As at Fiscal 2018, our trade receivables were ₹36.05 million. If our third-party distribution agents, distributors and franchisees default in making these payments our profits margins could be adversely affected.

37. We are subject to several tax regimes. Any failure to comply with such tax laws and any changes in tax laws and rules applicable to us may adversely affect our results of operations and financial condition.

Taxes and other levies imposed by the GoI or State governments in India that affect our business and operations include income tax, goods and services tax and other additional taxes and surcharges introduced on a permanent or temporary basis from time to time. Our operations, while primarily located in India, are also located in several jurisdictions in Africa and south east Asia. Consequently, we are subject to the jurisdiction of a significant number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. These tax liabilities and tax regimes also involve the assessment of transfer pricing arrangements among our Company and its Subsidiaries in different tax jurisdictions.

Although we enter into arms-length transactions among our Company and its Subsidiaries, there can be no assurance that regulatory and tax authorities in the various jurisdictions that we operate in will not disagree with our assessment of such transactions. Changes in the operating environment, including changes in tax law and currency/repatriation controls, including on a retroactive basis, could impact the determination of our tax liabilities for any given tax year. Foreign income tax returns of foreign subsidiaries, unconsolidated affiliates and related entities are routinely examined by foreign tax authorities. These tax examinations may result in assessments of additional taxes or penalties or both and have an adverse effect on our results of operations and financial condition.

38. Our insurance coverage may not be adequate and this may have a material adverse effect on our business financial condition and results of operation.

We maintain insurance coverage for key risks relating to our business. While we believe that the amount of our insurance coverage is in line with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, not all risks associated with our operations may be insurable, on commercially reasonable terms or at all. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. Natural disasters in the future or occurrence of any other event for which we are not adequately or sufficiently insured may cause significant disruption to our operations that could have a material adverse impact on our business and operations. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows. If we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. For further details on our insurance arrangements, see "*Business– Insurance*" on page 149.

39. We will continue to be controlled by our Promoters and certain members of our Promoter Group after the completion of the Offer

After the completion of the Offer, our Promoters and certain members of our Promoter Group will hold majority of our outstanding Equity Shares. As a result, our Promoters and certain members of our Promoter Group will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. They may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters and certain members of our Promoter Group could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot guarantee that our Promoters and Promoter Group will act in our interest while exercising their rights.

40. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

As of May 31, 2018, we employed 2,203 full time personnel and 2,059 contract employees across our various facilities in India and Africa. Although we have not experienced any major work stoppages due to labour disputes or cessation of work in the recent past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are improbable for us to forecast or control and any such event could adversely affect our business, results of operations and financial condition.

41. We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. Additionally, we are also required to ensure compliance with provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, and we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

42. Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.

We intend to use the Net Proceeds of the Fresh Issue for the purposes described in "*Objects of the Offer*" on page 81. Whilst a monitoring agency will be appointed for monitoring utilisation of the Net Proceeds, in the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Offer; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Deployment of funds is based on management estimates, current circumstances of our business and prevailing market conditions. The deployment of funds has not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds.

43. We intend to utilize a portion of the Net Proceeds for purchase of equipments. We are yet to place orders for such equipments.

We intend to utilize a portion of the Net Proceeds for purchase of equipments. We estimated the total cost of such equipments to be ₹267.77 million. However we are yet to place orders for 100% of such equipments. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of some of the cost. While we have obtained the quotations from various vendors in relation to such equipments, most of these quotations are valid for a certain period of time and may be subject to revisions. We cannot assure that we will be able to procure such equipments within the cost indicated by such quotations. For details, see "*Objects of the Offer*" at page 81

44. Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to utilise the Net Proceeds for repayment/ pre-payment, in full or part, of certain borrowings availed by our Company, funding our purchase of plant and machinery and other general corporate purposes.

Given the nature of our business and due to various uncertainties involved, we may be unable to utilize the Net Proceeds within

the time frame or as per the schedule of deployment that we currently estimate. In the case of increase in actual outlay or shortfall in requisite funds, additional funds for the purpose will be met by means available to us, including internal accruals and additional equity and/or debt arrangements.

Further, while our management is required to temporarily deposit the Net Proceeds, pending utilization, with Scheduled commercial banks listed in Schedule II of the Reserve Bank of India Act, 1934, there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary deposits.

For further details of the proposed objects of the Offer, see "*Objects of the Offer*" beginning on page 81. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

45. We may not be able to derive the expected benefits of the deployment of the Net Proceeds, in a timely manner, or at all.

Our Company intends to use a certain portion of the Net Proceeds for the purposes of repayment / prepayment in full or in part, of certain of the borrowings availed by the Company and funding our purchase of plant and machinery. We cannot ascertain whether such initiatives will result in increased sales or have an equivalent monetary impact. Our estimates for the proposed expenditure are based on several variables, a significant variation in any one or a combination of which could have an adverse effect.

The details in this regard have been disclosed in the section entitled "*Objects of the Offer*" beginning on page 81. While the utilisation of Net Proceeds for repayment / prepayment of the borrowings and funding our purchase of equipments would help us to reduce our cost of debt and enable the utilisation of our funds for further investment in business growth and expansion, these objects will not result in the creation of any tangible assets for our Company.

46. Information relating to our installed capacities and the historical capacity utilization of our processing plants included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.

Information relating to our installed capacities and the historical capacity utilization of our processing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificate dated August 2, 2018 from Servel Krishna Engineers Private Limited, chartered engineer in relation to such capacities, actual production levels and future capacity utilization rates may vary significantly from the estimated production capacities of our production facilities and historical capacity utilization rates. In addition, capacity utilization is calculated differently in different countries, industries and for the kinds of products we manufacture. Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus. For further information, see "*Our Business*" on page 144.

47. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third party research agency, CRISIL Limited, to prepare an industry report titled "Assessment of the Indian dairy industry" dated August 3, 2018, for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, any of the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

48. Our Statutory Auditor's report may contain certain adverse remarks

There are certain adverse remarks from the auditors in their audit report and annexure to the auditor's report under the Companies (Auditor's Report) Order, 2016, 2015 and 2003, as applicable, for the last five Fiscals**.** There is no assurance that our audit report or annexure there on for any future fiscal periods will not contain such comments or any other qualifications or otherwise affect our results of operations in such future fiscal periods. Investors should consider these remarks in evaluating our financial position, cash flows and results of operations. Any such qualifications in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Equity Shares. For details on these qualifications, emphasis of matter, refer the annexure V to our Restated Standalone and Consolidated Financial Information and "Financial Statements" on pages 244 and 198 respectively.

49. The accounts of our erstwhile subsidiary, Dodla Singapore Pte Limited and our erstwhile associate, Abyssinia Bharat Food Parks PLC, Ethiopia which form part of our Restated Consolidated Financial Information for Fiscal Year 2014, are unaudited.

Our erstwhile subsidiary, Dodla Singapore Pte Limited ("**DSPL**"), was incorporated under the laws of Singapore. Our Company held 100% of the share capital in DSPL as on March 31, 2014. DSPL is included in our Restated Consolidated Financial Information till Fiscal 2014 as a subsidiary. Our Company disinvested its entire shareholding in DSPL in the year 2014-15. The accounts of DSPL as included in this Draft Red Herring Prospectus, are unaudited and furnished by the management of the relevant subsidiary. For Fiscal 2014, DSPL contributed 0% towards our total revenue, on a consolidated basis. Our erstwhile associate, Abyssinia Bharat Food Parks PLC, Ethiopia ("**Abyssinia**"), was incorporated under the laws of Ethiopia. Our Company held 34.02% of the share capital in Abyssinia as on March 31, 2014. Abyssinia is included in our Restated Consolidated Financial Information till Fiscal 2014 as an associate. Our Company disinvested its entire shareholding in Abyssinia in the year 2014-15. The accounts of Abyssinia as included in this Draft Red Herring Prospectus, are unaudited and furnished by the management of the relevant associate. For Fiscal 2014, Abyssinia contributed 0% towards our total revenue, on a consolidated basis.

We may face risks associated with such financial information not being verified by an independent third party. If such financial information had been audited, adjustments and modifications may have arisen during the course of audit process, which could have resulted in differences compared to that unaudited financial information which were furnished and relied on for preparation of our restated consolidated financial information.

50. We are exposed to foreign currency exchange rate fluctuations may have an adverse effect on our results of operations and value of the Equity Shares.

Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Our Subsidiary, DHPL has provided a USD denominated loan to our Subsidiary LDL which is subject to risks of currency fluctuations. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

The exchange rate between the Indian Rupee and the USD and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Indian Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares.

A non-resident investor may not be able to convert Indian Rupee proceeds into USD or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyze our value based on the USD equivalent of our financial condition and results of operations.

For historical exchange rate fluctuations, see "*Certain Conventions, Presentation of Financial, Industry and Market Data*" on page 11.

51. Certain Promoters, Directors and key management personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Promoters, Directors and KMPs are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, and may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our individual Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management*" on page 167.

52. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated. We may in the future experience negative operating cash flows.

(in ₹ million)

Particulars	Fiscal				
	2014	2015	2016	2017	2018
Net cash generated from/ (used in) operating activities	590.70	(518.12)	1,231.34	609.73	860.96
Net cash used in investing activities	(529.61)	(160.48)	(932.98)	(791.12)	(657.11)
Net cash generated from/ (used in) the financing activities	139.71	75.77	(357.87)	191.72	(400.85)
Net increase/(decrease) in cash and cash equivalents	200.80	(602.83)	(59.51)	10.33	(197.00)

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 300.

53. Our Subsidiaries, Lakeside Dairy Ltd. and Dodla Dairy Kenya Limited have incurred losses in the past and may incur losses in the future

Our Subsidiaries, Lakeside Dairy Ltd. and Dodla Dairy Kenya Limited have incurred losses in the past. Any such losses that our subsidiaries or we may incur in the future will adversely affect our results of operations and financial condition.

The following table sets forth information on losses incurred losses by our Subsidiary in the past:

(in ₹ million)

Name of the Subsidiary	Profit / (Loss)				
	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Lakeside Dairy Ltd.* (in UGX million)	Not Applicable	(1,186.07)	(1,742.79)	(1,411.54)	1,857.89
Dodla Dairy Kenya Limited** (in KES million)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	(12.88)

** Incorporated in Fiscal 2015*
*** Incorporated in Fiscal 2018*

There can be no assurance that our Subsidiaries will not incur losses in the future, which may have an adverse effect on our reputation and business.

54. Certain of our Group Companies have incurred losses in the past, which may have an adverse effect on our reputation and business.

Certain of our Group Companies have incurred losses during financial years 2016, 2017 and 2018 as set out below:

(₹ in million)

Name of the Group Company	Profit / (Loss)		
	Fiscal 2016	Fiscal 2017	Fiscal 2018
GVC	(8.19)	(2.77)	(0.70)

There can be no assurance that our Group Companies will not incur losses in the future which may have an adverse effect on our reputation and business.

55. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have in the past entered into transactions with certain of our Promoters, relatives of our Promoters, Directors, and enterprises over which our Directors have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

For details on our related party transactions, see "*Related Party Transactions*" on page 182. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

56. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.

As of March 31, 2018, our contingent liabilities were as follows:

Particulars	As at March 31, 2018
	(₹ Million)
Income tax matters	0.99
Indirect tax matters	6.44
Total	**7.43**

For further information on our contingent liabilities, see Annexure VII of our Restated Consolidated Financial Information on page 220.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

57. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Our Company has only declared a dividend in Fiscal 2016 but has not adopted any formal dividend policy. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. For details of dividend paid by our Company in the past, see "*Dividend Policy*" on page 183.

58. Our brand "Dairy Top" is currently unregistered in India. Until applied for registrations are granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill and adversely affect our business.

Our brand "Dairy Top" is not registered in India as this mark is currently conflicting with certain registered trademarks in India. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is

issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to avail the legal protection or prevent unauthorised use of such trademarks by third parties.

External Risk Factors

59. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by unfavourable changes in, or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business. Please see "*Regulations and Policies*" on page 151.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, conditions, costs and expenditures on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations and cash flows. Any changes to such laws, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects:

On November 8, 2016, the Reserve Bank of India, or RBI, and the Ministry of Finance of the GoI withdrew the legal tender status of ₹500 and ₹1,000 currency notes pursuant to notification dated November 8, 2016. The short-term impact of these developments has been, among other things, a decrease in liquidity of cash in India. There is uncertainty on the long-term impact of this action. The RBI has also established, and continues to refine, a process for holders of affected banknotes to tender such notes for equivalent value credited into the holders' bank accounts. The short-term and long-term effects of demonetization on the Indian economy, India's capital markets and our business are uncertain and we cannot accurately predict its effect on our business, results of operations, cash flows, financial condition and prospects.

The General Anti Avoidance Rules ("**GAAR**") have recently been notified by way of an amendment to the Income Tax Act, 1961. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, 1961, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under an arrangement is less than ₹30.00 million, (ii) where Foreign Institutional Investors ("**FIIs**") have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act, 1961 and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

60. Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business. In fiscal 2011, Indian government agencies initiated proceedings against certain financial institutions, alleging bribery in the loans and investment approval process, which impacted market sentiment. Similar developments in the future could negatively impact confidence in the financial sector and could have a material adverse effect on our business, results of operations, cash flows and financial condition.

61. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

62. Our business is substantially affected by prevailing economic, political and other prevailing conditions in emerging markets.

We are incorporated in India, and our operations are located in India and other emerging markets across the world. As a result, we are highly dependent on prevailing economic conditions in India and the other emerging markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in the region or globally, including in various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or the emerging markets.

Further, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging market, or in specific sectors of such economies, could adversely impact our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

63. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business, results of operations and cash flows.

Any change in tax laws including upward revision to the currently applicable normal corporate tax rate of 34.94% along with applicable surcharge and cess, our tax burden will increase. Other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, may no longer be available to us.

Similarly, in relation to the applicable law on indirect taxation, the Government of India has notified a comprehensive national GST regime that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

We cannot predict whether any tax laws or regulations impacting our products will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, cash flows and results of operations.

64. It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.

Our Company is incorporated as a public limited company under the laws of India and all of our directors and executive officers reside in India, except our Independent Director Kishore Mirchandani who is a resident of the United States of America. Further, certain of our assets, and the assets of our executive officers and directors, may be located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

65. Any adverse change in India's sovereign credit rating by an international rating agency could adversely affect our business, results of operations and cash flows.

In November 2016, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy debt burden as the most significant constraints on its rating, and recommended the implementation of reforms and containment of deficits. Standard & Poor's affirmed its outlook on India's sovereign debt rating to "stable", while reaffirming its "BBB-" rating. In May 2017, Fitch, another international rating agency, affirmed India's sovereign outlook to "stable" and affirmed its rating as "BBB-". While in November 2017 Moody's Investors Service ("**Moody**") upgraded the Sovereign Credit Rating of India to Baa2 from Baa3, upgraded the Government of India's local and foreign currency issuer ratings to Baa2 from Baa3 and changed the outlook on the rating to stable from positive, going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business.

66. Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

Risks in relation to the Offer

67. Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and trading does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price and liquidity for the Equity Shares may be subject to significant fluctuations in response to, among other factors:

- volatility in the Indian and other global securities markets;
- problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges;
- the performance and volatility of the Indian and global economy;
- financial instability in emerging markets that may lead to loss of investor confidence;
- risks relating to our business and industry, including those discussed in this Draft Red Herring Prospectus;
- strategic actions by us or our competitors;
- investor perception of the investment opportunity associated with our Equity Shares and our future performance;
- future sales of our Equity Shares;
- variations in our quarterly results of operations or cash flows;
- differences between our actual financial and operating results and those expected by investors and analysts;
- our future expansion plans;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly as a result of market volatility. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

68. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/Offer Closing Date, but not thereafter. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their Bids.

69. You may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian Stock Exchange.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Offer have been Allotted and submission of all other relevant documents authorising the issuing of the Equity Shares. There could be failure or delays in listing the Equity Shares on the Stock Exchanges. Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading. Investors' "demat" accounts with Depository Participants are expected to be credited within three Working Days of the date on which the Basis of Allotment is finalized with the Designated Stock Exchange. Thereafter, upon receipt of listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within six Working Days from Bid/ Offer Closing Date.

70. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

71. Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares or the disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

72. Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

73. We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the entire proceeds from the Offer for Sale.

This Offer includes an Offer for Sale of up to 9,543,770 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholder and we will not receive any such proceeds. For further details, see "*Capital Structure*" and "*Objects of the Offer*" on pages 69 and 81, respectively.

74. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as

shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

75. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under the Income-Tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. The Finance Act, 2018, has now levied taxes on such long term capital gains exceeding ₹100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

76. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

77. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

Prominent Notes

1. Our Company was incorporated as Dodla Dairy Limited on May 15, 1995 at Hyderabad, Telangana (erstwhile Andhra Pradesh), India as a public limited company under the Companies Act, 1956. For further details in relation to our Company, see "*History and Certain Corporate Matters*" on page 156.

2. Initial Public offer of up to [●] Equity Shares for cash at price of ₹[●] (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,500 million by our Company and the Offer for Sale of up to 9,543,770 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders. The Offer will constitute [●]% of the the fully diluted post-Offer paid-up Equity Share capital of our Company.

3. As of March 31, 2018, our Company's net worth was ₹3,397.59 million as per our Restated Consolidated Financial Information and ₹3,428.40 million as per the Restated Standalone Financial Information.

4. As of March 31, 2018, the net asset value per Equity Share was ₹1,037.49 as per our Restated Consolidated Financial Information and ₹1,046.90 as per the Restated Standalone Financial Information.

5. The average cost of acquisition of Equity Shares by our Promoters is:

Name of the Promoter	Average cost of acquisition of Equity Shares (₹ per Equity Share)*
Dodla Sunil Reddy	0.21
Dodla Sesha Reddy	5.24
Dodla Family Trust	Nil

**As certified by M/s A Ramachandra Rao & Co by their certificate dated August 8, 2018*

For details, see "*Capital Structure*" on page 69.

6. For details of related party transactions entered into by our Company with our Promoters, Group Companies, Subsidiaries, Associate and other related parties in the last Fiscal, including nature and cumulative value of the transactions, see "*Related Party Transactions*" on page 182.

7. Except as disclosed in "*Our Group Companies*" and "*Related Party Transactions*" on pages 181 and 182, respectively, none of our Group Companies have business interest or other interests in our Company.

8. There have been no financing arrangements whereby any of the members of our Promoter Group, our Directors or any of their relatives have financed the purchase by any other person of securities of our Company other than in ordinary course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

9. Investors may contact the BRLMs or the Registrar to the Offer, for any complaints pertaining to the Offer.

10. All grievances in relation to Bids through the ASBA process, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, quoting the full name of the sole or First Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. Further, all grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

For any complaints, information or clarifications pertaining to the Offer, investors may contact the BRLMs who have submitted the due diligence certificate to the SEBI.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*Unless noted otherwise, the information in this section is obtained or extracted from "Assessment of the Indian Dairy Industry" dated August 3, 2018 issued by CRISIL Limited (the "**Crisil Report**") on our request. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

The CRISIL Report contains the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Dodla Dairy Limited will be responsible for ensuring compliances and consequences of non-complainces for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the sections "Risk Factors" on page 14. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section "Risk Factors" on page 14. The summary below should be read in conjunction with, and careful consideration of, the risks to our business and industry set forth in "Risk Factors" on page 14 of this Red Herring Prospectus

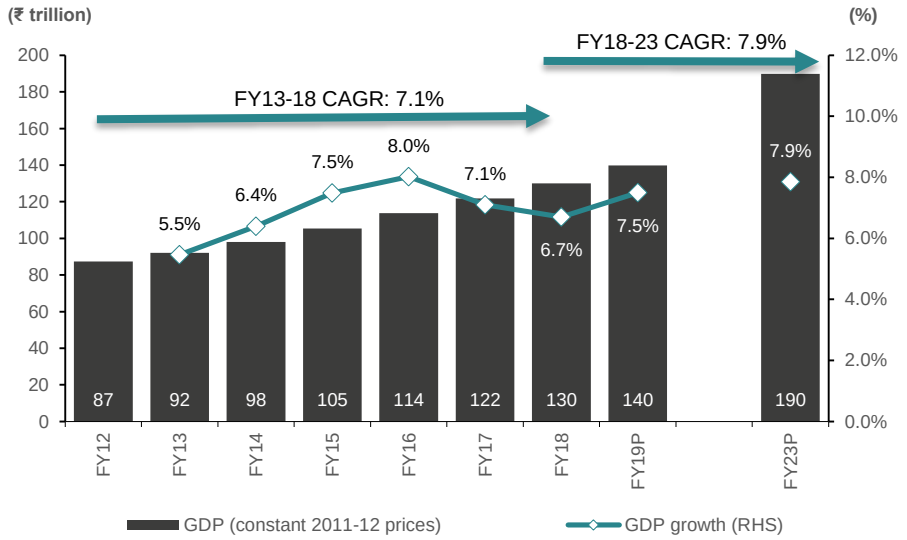
Overview of the Macroeconomic Scenario in India

Review and outlook of India's GDP growth

GDP to grow at a faster pace over the next five years

Consumption and investment constitute the growth engine of an economy. In recent years, India's growth has been firing on the consumption cylinder, and has been muted on the investment front. Gross domestic product (GDP) at constant FY12 prices expanded at 7.1% compound annual growth rate (CAGR) between FY13 and FY18. It grew at a slower pace between FY12 and FY14 because of sluggish income growth, persistently rising inflation, and high interest rates. Industrial output, too, weakened. Post FY14, growth recovered with improving industrial activity, lower crude oil prices, and supportive policies. However, that was clipped in FY17, owing to demonetisation, dwindling private investment, and slowing global growth.

Real GDP growth in India (new GDP series)



Note: P-Projected

Source: CSO (Central Statistical Organisation), CRISIL Research, IMF

The Goods and Services Tax (GST) rollout in early FY18 left its imprint on GDP figures, especially in the first half. CRISIL Research expects real GDP growth to rebound to 7.5% in FY19 from 6.7% (as per the Central Statistics Office) in FY18 as the transitory disruption from GST implementation wanes and a low base provides an added fillip. Growth would continue to be consumption-driven, with interest rates expected to remain soft, inflation under control, and implementation of the Seventh Pay Commission hikes at the state level. Investments, fired largely by public sector investment in infrastructure, too, would start lending growth a helping hand. Growth is also expected to be mildly supported by public spending (with a rural focus) in infrastructure, especially roads.

On the external front, too, synchronised global recovery is expected to gather pace, which should help Indian exports that were impacted, to some extent, on account of GST-related glitches. However, geopolitical risks and uncertainties surrounding the pace of normalisation of the monetary policy in advanced nations would limit the contribution of exports to domestic economic growth.

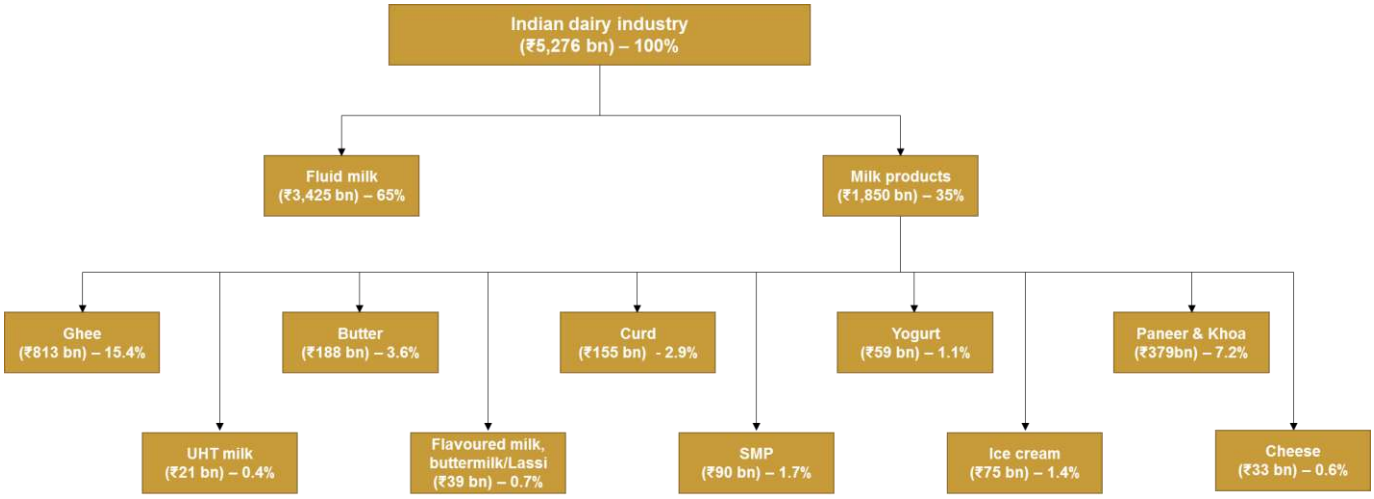
In the medium term, we expect the pace of economic growth to pick up. This is because structural reforms such as GST and the Bankruptcy Code, aimed at de-clogging the economy and raising the trend rate of growth, would begin to take effect. Assuming monetary and fiscal policies remain prudent, the reforms would lead to efficiency gains and improve the prospects for sustainable high growth in the years to come. The improving macroeconomic environment (softer interest rate and stable inflation), urbanisation, rising middle class, and business-friendly government reforms are expected to drive growth in the long term. As per the International Monetary Fund (IMF), the Indian economy is projected to grow at 7.9% CAGR over FY18-23. India's growth will be higher than many emerging as well as developing economies such as Brazil, Russia, and China.

The per capita GDP for India over the next five years (calendar years 2018-23) is expected to clock 8.9% CAGR compared with 9.7% CAGR during the previous five years (2013-18).

Overview of the Indian dairy industry

The overall dairy industry (which includes both organised and unorganised segments) in India broadly consists of processed milk (liquid/fluid milk) and other dairy products such as curd, ghee, skim milk powder (SMP), cheese, and ice cream. Of these, the fluid milk segment is the largest (~65%) and is expected to grow consistently. The milk products segment, currently accounting for ~35% of the industry, has been growing at a much faster pace than the overall dairy industry.

Overall dairy industry in India – FY18



Source: CRISIL Research

The industry involves production, procurement, storage, processing and distribution of dairy products. Milk is processed into fluid milk, curd, ghee, butter, cheese, yogurt, condensed milk, skim milk powder, ice cream, etc. via various processes such as chilling, pasteurisation and homogenisation.

The Indian dairy industry worth ₹5.3 trillion as of FY18 is forecast to grow at 12-13% CAGR over FY18-23

The ₹5.3 trillion Indian dairy market recorded ~10% growth in FY17, with value-added products (~35% in value terms) growing the fastest at 13-15%. The fastest-growing product was ice cream at ~20%, followed by cheese (19%) and paneer (15%).

Over FY18-23, growth is expected to be driven by increase in sales volumes and higher realisations. Segments such as ice cream, cheese, curd and yogurt are expected to witness accelerated growth in volumes compared with the preceding five years. While higher realisation will be mainly driven by rise in milk prices, a change in product mix in many segments will support growth. For example, in the curd and yogurt segment, a shift from loose plain curd to packaged plain curd, flavoured curd and flavoured yogurt will support realisation growth. In the cheese segment, increasing use of mozzarella, pizza cheese, slices and spreads coupled with growth in the quick service restaurant industry will drive up realisations.

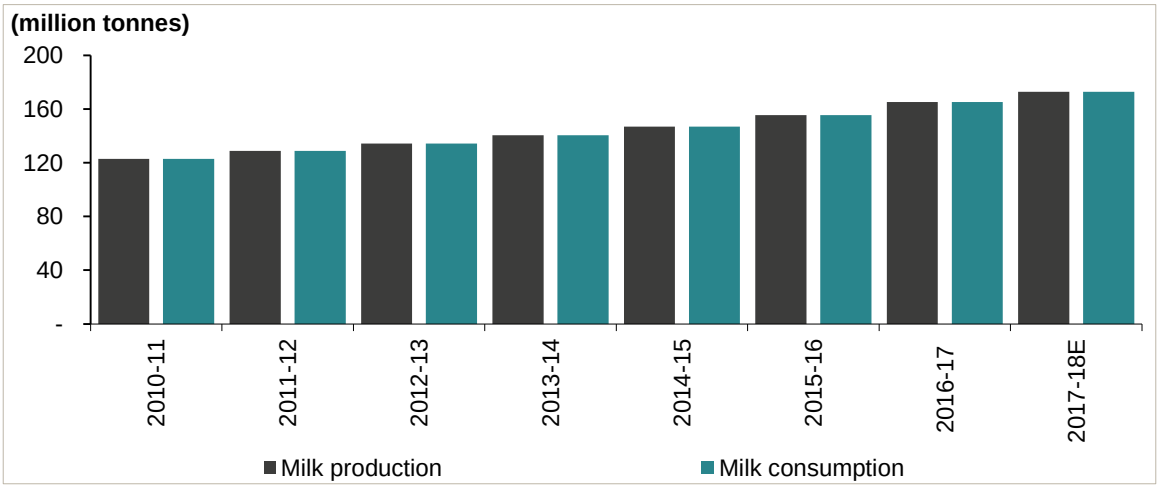
CRISIL Research forecasts the industry to grow at a healthy CAGR of 12-13% over FY18-23 compared with CAGR of ~9% over FY13-18, driven by volume growth, rising milk prices, change in the product mix and rising share of branded products. Further, the share of value-added products is expected to touch 39-43% by FY23 with consumers increasingly preferring value-added products. Rising income levels and changing dietary patterns will likely lead to higher penetration of value-added products in the Indian dairy industry. The industry is also expected to see a shift to branded products which, in turn, will be attributable to a marked change in eating preference of the country's young population, rise in nuclear families, and also in income levels.

Overview of milk production in India

The domestic dairy industry has a healthy mix of cooperatives and private players. Small and marginal farmers benefited from the National Dairy Plans 1 & 2 and Operation Flood, as attractive prices offered by cooperatives encouraged dairy farmers to shift from indigenous cows to high-yielding cross-bred cows, thereby increasing their income and milk supply. Setting up of support infrastructure such as cattle feed plants by cooperatives, training programmes, and government initiatives further boosted milk production.

In India, production to consumption ratio is nearly 99%, i.e., almost all the milk produced in India is either consumed directly or in terms of VADP. India exports SMP which accounts for less than 1% of the total Indian dairy industry in terms of value.

Milk production to increase steadily



Source: CRISIL Research

India leads in milk production and is amongst the fastest-growing markets for dairy products since 1999-2000. Further, the country is one of the largest milk consumers and, hence, not very active in global dairy trade. Global milk output increased at a CAGR of 1.3% over CY12-17 to reach ~811 million tonnes in CY17. Over the same period, milk production in India reached ~165 million tonnes in FY17, clocking a CAGR of 5.3% over FY12-17. Production is expected to grow at a faster pace of 5-6%, owing to increasing yield of in-milk cows and buffaloes.

Product-wise margins, market size and growth

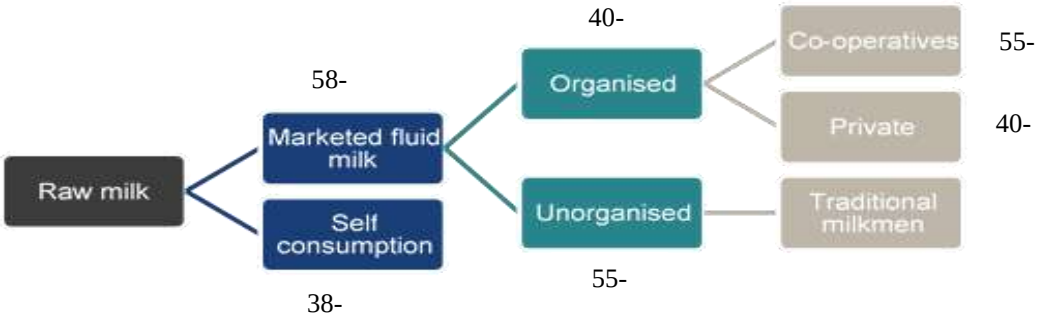
(₹ billion)	EBITDA margin	FY13	FY18	FY23P	CAGR FY13-18	CAGR FY18-23
Fluid milk	4-6%	2,330	3,425	5,426	~8%	~10-11%
Unprocessed milk	NA	1,779	2,410	3,556	~6%	~7-9%
Packaged milk	NA	551	1015	1870	~13%	~12-14%
Ghee	20-22%	429	813	2,038	~14%	~14-15%
Paneer	19-21%	162	319	734	~15%	~17-18%
Butter	17-19%	112	188	314	~11%	~12-13%
Curd	19-21%	106	155	267	~8%	~10-11%
Ice cream	37-39%	29	75	215	~21%	~22-24%
SMP	6-8%	60	90	136	~9%	~9-10%
Yogurt	24-26%	28	59	104	~16%	~11-12%
Khoa	14-16%	37	60	101	~10%	~10-11%
Cheese	29-31%	13	33	98	~21%	~24-26%
Flavoured milk	NA	19	32	59	~11%	~13-14%
Buttermilk and lassi	**10-12%**	**5**	**7**	**11**	**~8%**	**~10-11%**

Source: CRISIL Research

Structure of the Indian dairy industry

The Indian dairy industry is broadly divided into organised and unorganised segments. The organised segment comprises cooperative, private and producer companies (set up with the help of National Dairy Development Board or NDDB), while the unorganised segment comprises local vendors and dairy farmers selling within their area of production.

Structure of the domestic milk market

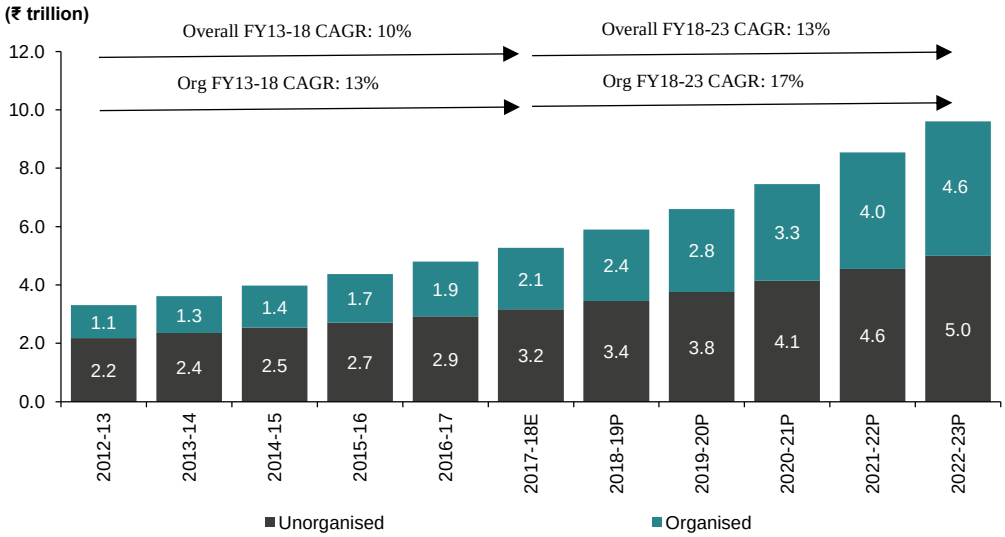


Source: Industry estimates, CRISIL Research

Organised segment accounts for 40-45% of the industry; set to grow faster

As of FY18, the unorganised segment dominated the ₹5.3 trillion Indian dairy industry with 55-60% market share in the retail sale of dairy products, according to CRISIL Research estimates. Over the next five years, we expect the organised segment to grow at a much faster pace of 17% annually, while the unorganised segment is expected to grow at 10% CAGR. Consequently, by FY23, organised players are estimated to account for 48% of the market. Rising consumerism, growing urbanisation and preference for branded packaged foods will act as key growth drivers for this trend. Additionally, private players are investing capital in order to increase their processing capacity, which will help wrestle away market share from the unorganised segment.

Share of the organised segment to gradually increase at retail level

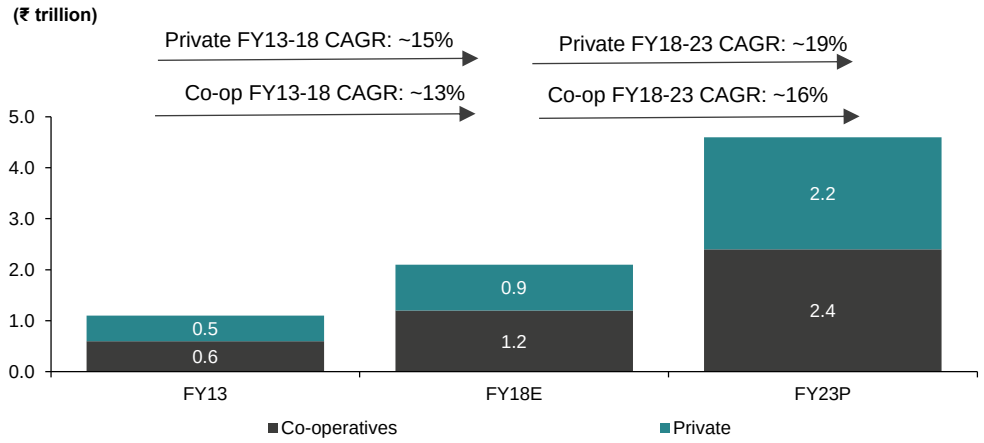


Source: Industry estimates, CRISIL Research

Private players have managed to compete and grow faster than the cooperatives at a CAGR of ~15% over FY13-18. We expect private players to grow at ~19% CAGR over FY18-23, outpacing growth in the organised dairy industry and, hence, the share of private players is expected to reach 45-50% in the organised sector.

Share of private players versus cooperatives within the organised segment to reach 45-50% by FY23

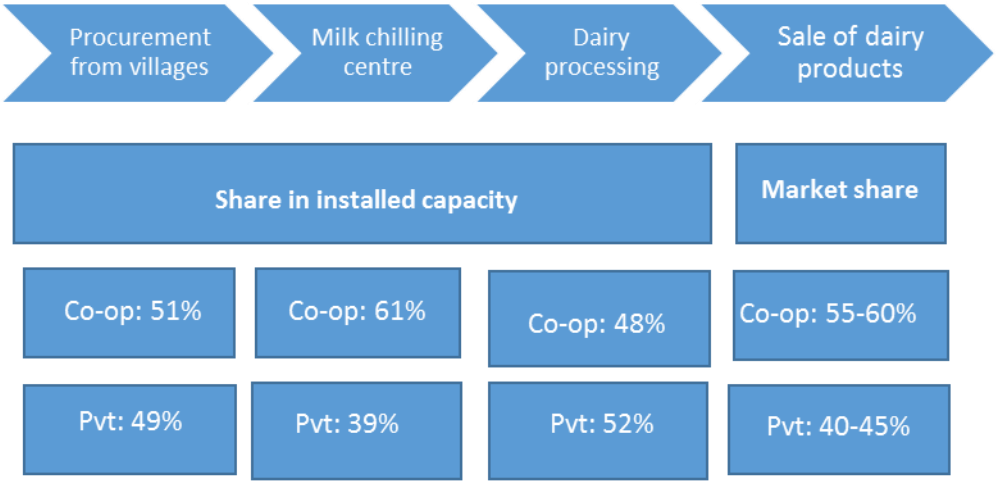
Source: Industry estimates, CRISIL Research



Private players compete on the basis of farmer connect and promptness in payments

Historically, cooperatives dominated the milk supply chain in terms of procurement and storage. However, private players are gradually gaining ground by making requisite investments to strengthen their procurement, storage and distribution network. Cooperatives compete with private players on the basis of milk procurement prices. However, private players offer prompt and upfront payment to farmers and often engage with them to enhance yield / production of their cattle. The more progressive private players are also increasingly opting for direct milk procurement from farmers as opposed to procurement through agents.

Value chain of the Indian dairy industry: Organised segment



Note: Market share as of FY18

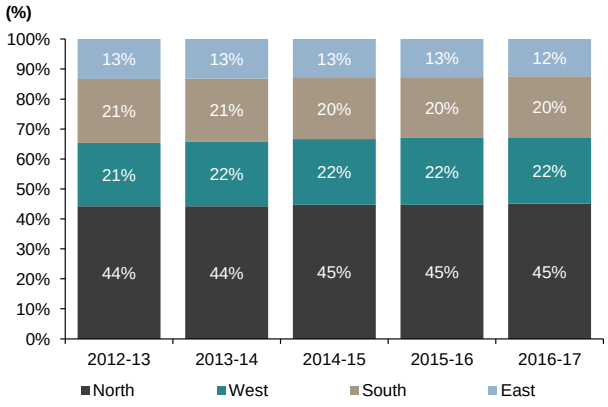
Source: Ministry of Animal Husbandry, Dairying and Fisheries, National Action Plan for Dairy Development Vision-2022 document of January 2018 by DAHD&F CRISIL Research

Assessment of the overall dairy industry in southern India

Southern region continues to account for ~20% of India's milk production

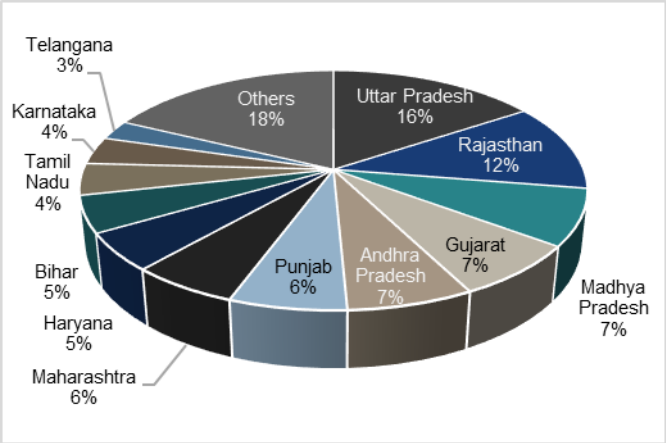
The southern region of India maintained a share of 20-21% during FY12-17. Over FY07 to FY17, milk production in the southern region logged a healthy CAGR of 5.0%, close on the heels of the western region which clocked a CAGR of 5.8%. Milk production is concentrated in 10 states, which together made up ~75% of the total production in FY17.

Southern region maintained ~20% share in milk production



Source: NDDB, CRISIL Research; Refer annexure for states included in regions

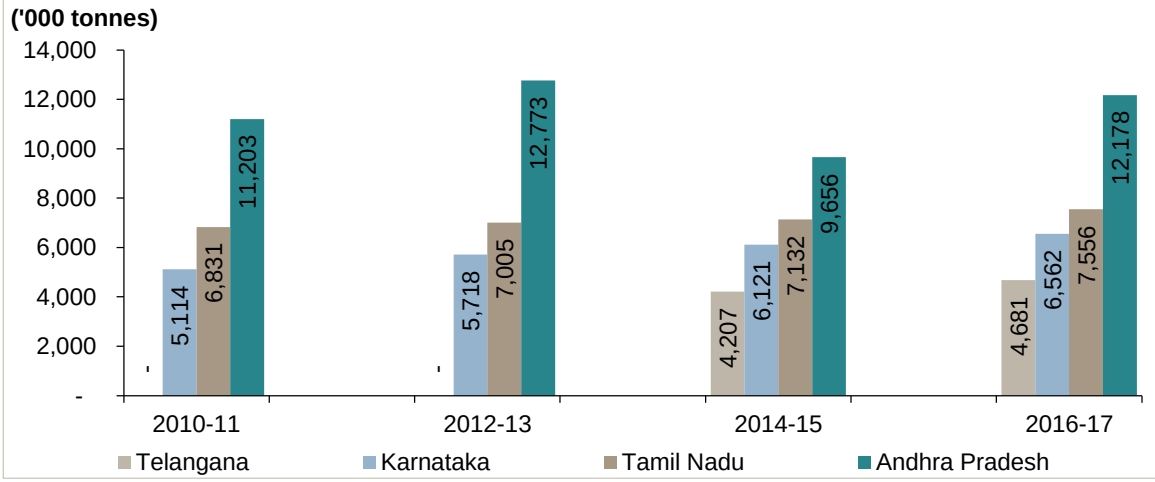
Four of top 12 milk producing states in FY17 were from southern region



Source: NDDB, CRISIL Research

More than 90% of milk production in south India happens in Andhra Pradesh (leads the pack), Karnataka, Tamil Nadu and Telangana. Amongst these states, production increased the fastest in Karnataka (at 3.8% CAGR over FY12-17).

Andhra Pradesh is the fifth largest milk producer in India and the largest in south India



Source: NDDB, CRISIL Research

**Telangana and Andhra Pradesh are clubbed up to 2013-14*

SUMMARY OF OUR BUSINESS

*Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" on pages 14 and 184, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see the section "Risk Factors" on page 14. Unless noted otherwise, the information in this section is obtained or extracted from "Assessment of the Indian Dairy Industry" dated August 3, 2018 issued by CRISIL Limited (the "**Crisil Report**") on our request. The summary below should be read in conjunction with, and careful consideration of, the risks to our business and industry set forth in "Risk Factors" on page 14 of this Red Herring Prospectus*

We are an integrated dairy company based in south India deriving all of our consolidated revenues for Fiscal 2018 from the sale of milk and dairy based VAPs in the branded consumer market. Amongst private dairy players with a significant presence in the southern region, we are the third highest in terms of milk procurement *(Source: CRISIL Report)* with an average procurement of 1.00 million litres of raw milk per day as of May 31, 2018 ("**MLPD**") and second highest in terms of market presence amongst private dairies *(Source: CRISIL Report)*. Our operations in India are primarily across the four South Indian states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. Our international operations are based in Uganda and Kenya. Our Indian and international operations are undertaken under our brands "Dodla Dairy" and "Dairy Top" respectively. We process and retail milk (full cream, standardised, toned and double toned) and produce dairy based value added products ("**VAPs**") such as curd, ultra-high temperature processing ("**UHT**") milk, ghee, butter, flavoured milk and ice cream amongst others. Our revenues from sale of milk and dairy based VAPs constituted 68.41% and 31.59% of our consolidated revenues in Fiscal 2018 respectively.

Our integrated business model in India consists of procurement, processing, distribution and marketing operations. Our procurement operations are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka and consist of an average procurement of 1.00 million MLPD as of May 31, 2018 from approximately 220,789 farmers through 3,212 procurement agents including third party suppliers across 7,598 villages and through our own Dodla Dairy Collection Centres ("**DDCCs**") as of May 31, 2018. The raw milk collected is then transported to our chilling centres and thereafter to our processing plants. Our chilling centres are strategically placed in close proximity to our raw milk procurement locations in order to maintain the freshness of the raw milk. Our total average raw milk procurement increased from 0.62 MLPD in Fiscal 2014 to 1.02 MLPD in Fiscal 2018. As of May 31, 2018 our procurement operations consisted of 3,717 DDCCs, 3,212 procurement agents and 78 chilling centres. The number of our DDCCs has consistently increased from 322 to 3,544 from March 31, 2014 to March 31, 2018 respectively.

Our processing operations consist of processing of the raw milk collected into packaged milk and manufacturing of other dairy based VAPs by 11 processing plants with an aggregate installed capacity of 1.29 MLPD. Our aggregate installed capacity has increased from 0.57 MLPD in Fiscal 2014 to 1.29 MLPD in Fiscal 2018. Further, we intend to commence operations at our 12th plant near Rajahmundry, Andhra Pradesh in 2019. Our distribution and marketing operations consist of distribution of our milk and dairy based VAPs through 14 sales offices, 3,329 distribution agents, 379 milk distributors and 466 milk product distributors across nine states in India. Additionally, as of May 31, 2018, our milk and dairy based VAPs are also available through 217 "Dodla Retail Parlors" which commenced operations in 2016 and are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. Our processing plants are in close proximity to our milk procurement operations and our target market which enables us to optimise transportation and raw milk handling costs. For further details on our processing plants, see "*Our Business – Our Facilities*" on page 142.

We commenced our African operations in Fiscal 2015 with the acquisition of the operations of Hillside Dairy and Agriculture Ltd. through our Subsidiary Lakeside Dairy Ltd. For our international operations, we procure raw milk from cooperative societies and follow a similar integrated business model as our India operations. Packaged milk and dairy based VAPs for retail are produced from our processing plant in Uganda and are distributed in Uganda and Kenya. Our distribution operations in Uganda are conducted through our African Subsidiary Lakeside Dairy Ltd. and include distribution of our milk and dairy based VAPs as of May 31, 2018 through 21 distributors and four distribution agents. Our distribution operations in Kenya are conducted through our African Subsidiary Dodla Dairy Kenya Limited and include distribution of our milk and dairy based VAPs as of May 31, 2018 through 107 distribution agents and 34 distributors.

We place significant emphasis on quality control across our integrated business model and have obtained several quality control certifications and registrations for our operations. The raw milk procured by us is tested by electronic milk analysers which tests for the fat and solid not fat (SNF) content of the raw milk and undergo further tests during the procurement stage. Our milk and dairy based VAPs have received certifications from the FSSAI. Some of our processing plants are ISO 22000:2005 certified for food management system and ISO 50001:2011certified for energy management system. Our Nellore processing plant is export inspection certified and BIS certified for SMP. Our processing plants situated at Nellore and Hyderabad, for producing ghee, are AGMARK registered and our plant at Nellore for production of milk powder, holds a BIS certification. Further, our processing plant in Uganda has obtained various quality certifications including, *inter alia*, Uganda National Bureau of Standards ("**UNBS**") permits for producing ghee, plain yogurt, strawberry yogurt, UHT milk and vanilla.

Our Company is promoted by Dodla Sesha Reddy and Dodla Sunil Reddy, who each have over 20 years of experience in dairy industry which have been instrumental in the growth of our Company. Further our CEO, Venkat Krishna Reddy Busireddy, has over 33 years of experience in the dairy industry. We have also been awarded a number of industry awards including the HMTV Business Excellence Award, 2017. For further details see "*History and Certain Corporate Matters*" on page 157. The RISE Fund, which is a social impact fund of TPG Growth, through TPG Dodla Dairy Holdigs Pte. Ltd. is invested in our Company. APIDC-Venture Capital and BR CPF (Mauritius) Limited were our shareholders in the past.

Our consolidated revenue from operations increased at a CAGR of 17.24% over Fiscal 2014 to Fiscal 2018 and amounted to ₹15,904.75 million in Fiscal 2018, while our consolidated EBITDA and profit after tax increased during the same period at a CAGR of 28.70% and 21.00% amounted to ₹1,113.64 million and ₹543.35 million in Fiscal 2018, respectively. Despite cumulative capital expenditure of ₹2,467.11 million over the past 3 years, towards *inter alia*, commissioning our new plants at Dharmapuri, Hyderabad and Rajahmundry and establishment of new DDCCs our return on equity and return on capital employed for Fiscal 2018 were at 17.42% and 23.07%, respectively.

Competitive Strengths

Consumer focused dairy company with a diverse range of products under the "Dodla Dairy" brand

We believe we have developed one of the leading brands in the dairy products industry in south India with strong consumer recognition, particularly in the States of Andhra Pradesh, Karnataka, Tamil Nadu and Telangana. We derived all of our consolidated revenues in Fiscal 2018 from sale of milk and dairy based VAPs in the branded consumer market. We are the third largest private milk company in south India in terms of procurement (*Source: CRISIL Report*) and second highest in terms of market presence amongst private dairies (*Source: CRISIL Report*). We offer a diverse portfolio of dairy based VAPs targeted at various consumer segments and this, we believe, enables us to cater to the changing preferences of our retail customers. We sell fresh milk, ghee, butter, curd, paneer and gulab jamun, doodh peda and junnu, which is targeted at consumption at home. We sell UHT milk, flavoured milk, ice-cream and beverages such as buttermilk under our brand, primarily for direct consumption. We also believe that the strength of our brands helps us in many aspects of our business, including expanding to new markets, entering into agreements with distributors and retailers and building relationships with our customers, investors and lenders.

Integrated business model with well-defined procurement, processing and distribution capabilities

Our integrated business model enables us to provide end to end capabilities from procurement till distribution and marketing in a cost efficient manner. The key components of our integrated business model are as follows:

- *Procurement* - Raw milk is one of the key raw materials for our business. Our procurement operations are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka and consist of procurement of on an average approximately 1.00 MLPD of raw milk from approximately 220,789 farmers across 7,598 villages through 3,717 DDCCs, 3,212 procurement agents and 78 chilling centres as of May 31, 2018. We procure raw milk either directly from the farmers and through third party suppliers. We believe that a robust raw milk procurement process is essential for our business to consistently procure quality raw milk for our operations. We also pay the farmers once every 10 to 15 days, with the money being sent directly to their bank accounts, which motivates them to engage with us more frequently. Our procurement of raw milk from DDCCs has increased from 7% in Fiscal 2014 to 49% in Fiscal 2018. For Fiscal 2018, our procurement of raw milk from DDCCs and procurement agents is 86.45%. As on May 31 2018, we operate more than 250 milk procurement routes. These routes have a regular procurement plan with timely pick up of raw milk from the DDCC and procurement agents and transportation to the nearest chilling centres. This enables us to preserve the freshness of the raw milk. The raw milk is thereafter transported to the nearest processing plant through tankers for onward processing into retail milk packages or manufacture of dairy based VAPs. The strategic location of our processing plants to our chilling centres and in turn of our chilling centres to our DDCCs and agents enables us to minimise the transportation and handling costs, without any loss in quality or nutritional value.

- *Processing* – Our processing operations are spread across 11 processing plants (nine of which are owned and two are leased) located in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu in India with an aggregate installed capacity of 1.29 MLPD, excluding a SMP plant with an installed capacity of 15,000 kgs per day. We regularly incur capital expenditure to upgrade technology across our processing plants and expand into new geographies by way of introduction of modern automated plants. We have introduced fully automated processing lines. Our processing infrastructure is designed in a manner to ensure efficient operations and high product quality standards

- *Distribution and marketing* – We sell our products under the "Dodla Dairy" brand in India. As of May 31, 2018 we distributed our milk and dairy based VAPs through 14 sales offices, 3,329 distribution agents, 379 milk distributors and 466 milk product distributors. As of May 31, 2018, our products are also available through 217 "Dodla Retail Parlors" which are operated on a franchisee model and spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. Our total advertisement and distribution expenses for Fiscals 2016, 2017 and 2018 were ₹310.03 million, ₹424.77 million and ₹491.91 million respectively. We engage in various marketing and promotional campaigns in order to market our products such as

undertaking, door to door campaigning for our products, bus brandings, local wall paintings, hoardings, signages, direction boards and kiosk promotions.

Focused engagement and long term relationship with dairy farmers

We believe our farmer friendly policies and continuous engagement with them with welfare programs have strengthened our relationships with farmers which in turn has strengthened our raw milk procurement process. We offer a variety of initiatives for the farmers from whom we procure raw milk. In order to ensure transparency, we test the quality and quantity of the raw milk procured by the farmers with electronic milk analysers. Our DDCCs are equipped with GPRS enabled milk analyzers and weigh scales which provide a transparent reading of quantity and components, as well as a receipt of the sale which helps farmers show cash flows and gain access to formal channels of financing. We pay the farmers once every 10 to 15 days with the money being sent directly to their bank accounts, which motivates them to engage with us more frequently. We also work with regional banks and facilitate sanctioning of loans to farmers which they utilise to invest in their cattle. We procure cattle feed on behalf of the farmers and pass on the price benefits of bulk purchase of such cattle feed to the farmers. We have recently tied up with various veterinarians to provide services to farmers for their cattle. We also organise various training camps with veterinarians for farmers to educate them about the best ways to prevent common ailments for their cattle. We believe our continuous engagement with farmers and our knowledge in the dairy industry combined with our welfare programs for the farmers have enabled us to have a strong procurement network in the regions in which we operate and thus helped us to contain the cost of raw milk and ensure supply of quality raw milk.

Stringent quality control procedures

We are committed towards quality and food safety of our products. Our determination towards quality and food safety is demonstrated by well-defined quality and food safety procedures at various stages from procurement to distribution of our products. We maintain a cold storage chain from the procurement stage till the time the milk and dairy based VAPs reach the consumer. All quality checks are documented in a quality manual to ensure that we only procure raw milk which meets our standards for further processing. Our DDCCs are equipped with GPRS enabled electronic milk analysers which test for the fat and solid not fat (SNF) content of the raw milk. We also conduct tests including for colour and smell which enables us to segregate poor quality of raw milk at our DDCCs. At our chilling centres we conduct adulteration tests and neutralizer tests. At our processing plants, the raw milk undergoes, adulteration tests and neutralizer tests to detect contaminants in the raw milk. We have received several quality certifications in relation to our products and our processing plants including certifications from the FSSAI for our products; the ISO 22000:2005 certification for our food management system, export inspection certification and BIS certification for SMP production for our Nellore processing plant, AGMARK registration for our ghee production facilities at Nellore and Hyderabad.

Financial Growth and operational efficiencies

We have delivered consistent growth over the last five financial years both in terms of financial and operational metrics. Our consolidated revenue from operations increased at a CAGR of 17.24% between Fiscal 2014 to Fiscal 2018 and amounted to ₹15,904.75 million in Fiscal 2018, while our consolidated EBITDA and profit after tax increased during the same period at a CAGR of 28.70% and 21.00% amounted to ₹1,113.64 million and ₹543.35 million as at Fiscal 2018, respectively. Despite cumulative capital expenditure of ₹2,467.11 million over the past 3 years, including, *inter alia*, towards commissioning our new plants at Dharmapuri, Hyderabad and Rajahmundry our return on equity and return on capital employed were at 17.42% and 23.07% for the Fiscal 2018, respectively. Further, our Receivable days were 0.58 days as on March 31, 2018 with our receivables amounting to ₹36.05 million as on March 31, 2018.

Experienced Board and senior management team

We are led by an experienced Board, who have extensive knowledge and understanding of the dairy business and have the expertise and vision to organically and inorganically scale up our business. Our Board led by our chairman, Dodla Sesha Reddy and managing director, Dodla Sunil Reddy have led the Company through the period of growth and also have taken initiatives to improve processes and efficiencies, implementation of enterprise resource planning system in the year 2000 and replication of our India business model in Uganda and Kenya which led to our overseas operations turning profitabe. Further, post the investment by private investors into our Company since 2012, our Company has undertaken a number of initiatives such as, *inter alia*, formulating a future growth strategy, further strengthening our corporate governance standards, entry into new line of VAPs, internal processes and controls including migration to SAP and introducing KPI based formal appraisal systems for the management.

Our Board is supplemented by our senior and middle-level management team members. We believe that the knowledge and experience of our senior and middle-level management team in the dairy business provides us with a significant competitive advantage as we seek to grow our business. Our core managerial team has an average dairy industry experience of more than 20 years and most of them have been associated with our Company since our formative years. For further details of our key managerial personnel, see "*Our Management*" on page 174.

Our chairman, Dodla Sesha Reddy has been associated with the dairy industry for the past 20 years. Dodla Sunil Reddy, who is a Promoter of our Company and the Managing Director, has over 20 years of experience in the dairy industry. Our CEO, Venkat Krishna Reddy Busireddy, has over 30 years of experience in the dairy industry and leads the management team in all aspects of our operations and is also a lifetime member of the Indian Diary Association.

Our Strategies

Enhance our brand visibility and expand the reach of our products

We believe that our brands are recognised by our consumers given our presence across the south Indian markets for over 23 years and robust quality of our processed milk. We have a strong presence in the southern states of Andhra Pradesh, Karnataka, and parts of Tamil Nadu and Telangana (*Source: CRISIL Report*) and we have the third largest procurement network amongst private dairy companies in south India (*Source: CRISIL Report*) and second highest in terms of market presence amongst private dairies (*Source: CRISIL Report*). Further, presence across multiple VAPs such as curd, flavoured milk, ice cream, butter milk, ghee and butter has also enabled us to strengthen our brand visibility and we plan to leverage upon it to launch new value-added products. Going forward, we intend to increase our brand visibility by undertaking more advertisement campaigns through various mediums such as bus brandings and wall paintings. We have in the last fiscal also revamped our milk packaging so as to ensure better brand visibility. As part of our product outreach program, we intend to actively increase our distribution network and actively engage with hyper markets, super markets and retailers so that all our products become more accessible to our consumers. We also intend to increase the number of Dodla Retail Parlors in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu based on the existing franchise model.

Further strengthen our procurement and processing operations

Our current raw milk procurement operations are primarily dependant on dairy farmers as well as third party suppliers supplying us raw milk. These third party suppliers typically buy raw milk from other farmers and also charge us a commission on the raw milk procured by them. This results in increase of cost of our primary raw material, raw milk, and farmers being paid lesser for their produce by such third party suppliers. We intend to further reduce our reliance on third party suppliers by engaging with farmers directly. Our total average raw milk procurement through DDCCs increased at a CAGR of 83.03% from an average of 0.045 MLPD in Fiscal 2014 to 0.50 MLPD in Fiscal 2018. Accordingly, procurement of raw milk from DDCCs has increased from 7% in Fiscal 2014 to 49% in Fiscal 2018. This will enable us to reduce our costs of raw milk and keep our products competitively priced.

For our processing operations, we are identifying various strategic initiatives to improve our operational efficiencies and reduce operating costs. For example, we intend to continue (i) our automation as we expand across existing and new geographies; (ii) adopt more efficient production process to decrease milk reprocessing and reduce our water use; (iii) decrease our electricity consumption due to refrigeration by refining the current plant and machinery; and (iv) switch from conventional to non-conventional sources of energy. We are also investing in modern technology and equipment to address changing customer preferences as well as to improve operational efficiency. We continue to adopt best practices and standards followed in the Indian dairy industry across our production facilities and draw upon our management's expertise and experience in dairy plant management.

Expand our operations domestically and internationally by way of organic and inorganic growth

We intend to continue to grow domestically and internationally by way of organic and inorganic growth in order to increase our presence and our revenues. For our India operations, we have in the past grown both organically by setting up our own processing plants and inorganically by either acquiring processing plants or business units from third parties. We have acquired plants, including, in Fiscal 2016, a processing plant in Dharmapuri, Tamil Nadu which provided us access to the markets in central and southern Tamil Nadu. In Fiscal 2013, we acquired a 0.01 MLPD plant in Kurnool. We are also in the process of setting up of a new 0.20 MLPD processing plant in Rajahmundry, Andhra Pradesh which will provide us access to the markets of coastal Andhra Pradesh. For our international operations, we entered into the markets of Uganda in Fiscal 2015 with the acquisition of operations of Hillside Dairy and Agriculture Ltd. by our Subsidiary Lakeside Dairy Ltd. Our entry in the Ugandan market allowed us to expand our reach to the East African markets. To complement our growth strategies of setting up processing plants and acquiring processing plants and businesses in markets where we see opportunities, we continuously evaluate further expansion through acquisitions in new underpenetrated markets in India. We also continue to assess further opportunities in markets abroad.

Increase our revenues from dairy based VAPs

Historically, sales of processed milk have been our primary revenue driver. In order to grow further and also increase margins, over the last few years we have focused on dairy based VAPs as they generate lower revenues but higher margins. We intend to supplement our revenues by increasing the sales of our VAPs and strike a balance between processed milk and VAPs to optimise our product portfolio. While our current product portfolio includes curd, we propose to introduce new variants of yogurt consisting

of fruit flavoured yogurts to expand our product portfolio and reach a wider variety of consumers. We believe that our existing product portfolio is in line with and is capable of being altered with the changing dairy consumption habits and preferences. We have in the past five fiscals introduced products such as ice creams, extended shelf life milk and flavoured milk in pet bottles. Key drivers of our dairy based VAPs are curd, UHT milk, ghee, butter, flavoured milk, paneer, and ice creams for our Indian operations and liquid milk yogurt, ghee, paneer, cheese and UHT milk for our international operations. While revenues from milk grew at a CAGR of 14.40% from ₹6,346.6 million in Fiscal 2014 to ₹10,870.7 million in Fiscal 2018, our revenues from dairy based VAPs increased at a CAGR of 23.97% from ₹2,064.20 million in Fiscal 2014 to ₹4,875.80 million in Fiscal 2018. Curd was our primary revenue driver in dairy based VAPs where revenues increased at a CAGR of 35.23% from ₹906.66 million in Fiscal 2014 to ₹3,032.1 million in Fiscal 2018. Our average curd sales volume increased at a CAGR of 30.01% from 0.07 MLPD in Fiscal 2014 to 0.20 MLPD in Fiscal 2018.

Research and Development in dairy farming

We are committed towards implementation of scientific techniques in dairy farming and allied activities. Our research and development activities are focused towards increased productivity of cattle leading to production of quality and safe milk and milk products, through our Associate Company GVC. GVC focuses on breeding, nutrition and farm management, with the aim of leading farmers supplying raw milk towards increased productivity of raw milk.

Our research activities are divided into the following focus areas:

(i) **Genetic Research**- Investigation into genetic diversity and relationship between HF breed cows and varied India cattle breed to lead to improvement of dairy herd genetics that affect health, longevity and reproductive traits in cattle used for raw milk production.

(ii) **Breeding Research**- We undertake research to reduce the breeding cycle of cows and on related activities including semen selection for more productive cows.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Information. The Restated Financial Information have been prepared, based on financial statements for the Fiscals 2018, 2017, 2016, 2015 and 2014. The Restated Financial Information have been prepared in accordance with the Companies Act, Ind AS and restated in accordance with the SEBI ICDR Regulations.

The summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 184 and 300, respectively.

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON ASSETS AND LIABILITIES

(*₹ in million*)

Particulars	As at March 31,				
	2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
ASSETS					
Non-current assets					
Property, plant and equipment	3,173.62	2,530.00	1,777.31	1,353.46	745.06
Capital work-in-progress	160.42	299.11	365.20	49.78	187.36
Intangible assets	6.61	3.33	2.17	2.20	2.45
Biological assets other than bearer plants					
Matured biological assets	20.34	17.68	12.89	5.52	-
Immatured biological assets	7.65	5.87	5.35	7.94	4.33
Financial assets					
Investments	71.10	-	-	-	1.63
Loans	148.24	206.34	38.22	32.92	28.42
Other financial assets	-	0.50	-	-	-
Income tax assets	46.19	43.54	44.16	0.44	10.59
Other non-current assets	110.40	170.34	362.02	271.23	251.07
Total non-current assets	**3,744.57**	**3,276.71**	**2,607.32**	**1,723.49**	**1,230.91**
Current assets					
Inventories	1,340.83	851.96	904.33	1,424.30	482.48
Financial assets					
Investments	598.49	683.54	637.10	609.72	925.60
Trade receivables	36.05	14.28	20.37	16.06	6.49
Loans	67.00	12.50	12.50	-	-
Cash and cash equivalents	139.17	111.62	118.19	183.84	428.12
Bank balances other than above	0.70	-	-	2.41	-
Derivatives	-	4.88	11.28	11.27	12.07
Other financial assets	1.63	1.39	1.30	25.58	73.43
Other current assets	79.23	300.48	39.05	56.79	78.60
Total current assets	**2,263.10**	**1,980.65**	**1,744.12**	**2,329.97**	**2,006.79**
Total assets	**6,007.67**	**5,257.36**	**4,351.44**	**4,053.46**	**3,237.70**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	32.75	32.75	32.75	32.75	32.75
Other equity	3,364.84	2,808.05	2,378.21	1,963.74	1,874.57
Equity attributable to owners of the Company	**3,397.59**	**2,840.80**	**2,410.96**	**1,996.49**	**1,907.32**
Non-controlling interest	-	-	-	-	-
Total equity	**3,397.59**	**2,840.80**	**2,410.96**	**1,996.49**	**1,907.32**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	222.50	315.00	323.79	80.92	126.82

Particulars	As at March 31,				
	2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Deferred tax liabilities (net)	189.72	100.25	70.73	91.02	89.38
Government grants	34.52	14.46	15.91	3.45	3.67
Provisions	68.88	88.67	52.94	38.97	18.44
Total non-current liabilities	**515.62**	**518.38**	**463.37**	**214.36**	**238.31**
Current liabilities					
Financial liabilities					
Borrowings	943.13	968.37	707.27	1,132.15	390.14
Trade payables	631.51	514.66	439.17	435.60	311.55
Other financial liabilities	317.82	244.77	186.90	126.76	292.46
Government grants	2.86	1.46	1.46	0.22	0.22
Provisions	16.15	8.38	5.59	4.34	2.41
Current tax liabilities	132.74	112.46	99.22	116.70	77.45
Other current liabilities	50.25	48.08	37.50	26.84	17.84
Total current liabilities	**2,094.46**	**1,898.18**	**1,477.11**	**1,842.61**	**1,092.07**
Total liabilities	**2,610.08**	**2,416.56**	**1,940.48**	**2,056.97**	**1,330.38**
Total equity and liabilities	**6,007.67**	**5,257.36**	**4,351.44**	**4,053.46**	**3,237.70**

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON PROFITS AND LOSSES

(*₹ in million*)

Particulars	For the year ended March 31,				
	2018	**2017**	**2016 Profo rma**	**2015 Profo rma**	**2014 Profo rma**
Revenue from operations	15,904.75	14,400.44	12,009.01	10,248.81	8,419.19
Other income	65.38	73.26	60.06	84.69	69.21
Total income	**15,970.13**	**14,473.70**	**12,069.07**	**10,333.50**	**8,488.40**
Expenses					
Cost of materials consumed	12,744.26	11,155.78	8,925.43	9,290.16	6,345.07
Purchases of stock-in-trade	-	-	27.46	26.62	2.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(427.22)	198.53	284.50	(885.34)	479.73
Employee benefit expense	649.79	549.93	489.14	363.00	268.50
Depreciation and amortisation expense	268.56	190.35	159.47	118.70	47.97
Finance costs	99.70	78.04	108.17	82.78	36.71
Other expenses	1,824.28	1,620.54	1,323.68	1,169.23	917.87
Total expenses	**15,159.37**	**13,793.17**	**11,317.85**	**10,165.15**	**8,098.01**
Profit before tax	**810.76**	**680.53**	**751.22**	**168.35**	**390.39**
Income tax expense					
-Current tax	186.04	184.27	242.25	54.00	127.54
-Deferred tax	81.37	30.95	(19.34)	1.07	9.40
Total tax expense	**267.41**	**215.22**	**222.91**	**55.07**	**136.94**
Profit for the year (A)	**543.35**	**465.31**	**528.31**	**113.28**	**253.45**
Other comprehensive income					
Items that will be reclassified subsequently to the statement of profit or loss					
Foreign currency translation reserve	(2.78)	(32.77)	(13.50)	(25.18)	-
Items that will not be reclassified subsequently to the statement of profit or loss					
Remeasurement of the net defined benefit obligation	23.40	(4.13)	(2.75)	1.64	1.58
Income tax relating to these items	(8.10)	1.43	0.95	(0.57)	(0.55)
Other comprehensive income for the year (B)	**12.52**	**(35.47)**	**(15.30)**	**(24.11)**	**1.03**
Total comprehensive income for the year (A+B)	**555.87**	**429.84**	**513.01**	**89.17**	**254.48**
Profit attributable to:					
Owners of the Company	543.67	465.31	528.31	113.28	253.45
Non-controlling interest	(0.32)	-	-	-	-
Profit for the year	**543.35**	**465.31**	**528.31**	**113.28**	**253.45**
Other comprehensive income attributable to:					
Owners of the Company	12.52	(35.47)	(15.30)	(24.11)	1.03
Non-controlling interest	-	-	-	-	-
Other comprehensive income for the year	**12.52**	**(35.47)**	**(15.30)**	**(24.11)**	**1.03**
Total comprehensive income attributable to:					
Owners of the Company	556.19	429.84	513.01	89.17	254.48
Non-controlling interest	(0.32)	-	-	-	-
Total comprehensive income for the year	**555.87**	**429.84**	**513.01**	**89.17**	**254.48**

RESTATED CONSOLIDATED FINANCIAL INFORMATION ON CASH FLOWS

(*₹ in million*)

Particulars	For the year ended March 31,				
	2018	2017	2016 Profo rma	2015 Profo rma	2014 Profo rma
Cash flows from operating activities					
Profit before tax	810.76	680.53	751.22	168.35	390.39
Adjustments for:					
Depreciation and amortisation expense	268.56	190.35	159.47	118.70	47.97
Gain on fair valuation of biological assets	(9.82)	(8.95)	(8.39)	(6.25)	(1.68)
Net loss on sale/ retirement of property, plant and equipment	6.19	17.47	1.68	0.41	1.20
Net loss on sale/ retirement of biological assets	3.67	2.59	0.71	0.28	-
Interest income	(3.31)	(3.46)	(2.95)	(5.16)	(16.26)
Finance costs	99.70	78.04	108.17	82.78	36.71
Dividend income from investment in mutual funds	(3.90)	(19.56)	(23.03)	(29.49)	(14.12)
Employee share based payment expenses	0.60	-	-	-	-
Net profit on sale of current investments	(0.82)	(3.73)	(1.94)	(5.15)	(1.38)
Profit on sale of investments in associate	-	-	-	(0.55)	-
Fair value gain on financial assets measured at fair value through profit and loss, net	(32.51)	(26.83)	(11.57)	(27.99)	(16.23)
Government grants income	(4.32)	(1.88)	(1.30)	(0.22)	(0.22)
Reversal of provision for doubtful debts	-	-	(17.95)	1.75	-
Provision for other than temporary diminution in the value of non-current investments	-	-	38.67	-	-
Unrealised foreign exchange (gain)/ loss, net	(0.34)	(1.15)	(1.66)	(6.56)	(3.53)
	1,134.46	**903.42**	**991.13**	**290.90**	**422.85**
Change in operating assets and liabilities					
(Increase)/ decrease in trade receivables	(21.75)	4.99	(4.96)	(10.02)	9.24
(Increase)/ decrease in inventories	(488.92)	50.67	519.27	(943.01)	273.40
(Increase) decrease in loans and other financial assets	(0.47)	(12.26)	(9.84)	37.15	(57.19)
Decrease/ (increase) in other current and non-current assets	224.35	(263.75)	9.12	(52.85)	7.93
Increase in trade payables and other financial liabilities	169.48	100.33	45.48	142.55	42.18
Increase in employee benefit obligations	11.38	34.39	12.47	24.10	6.55
Increase/ (decrease) in other current and non-current liabilities	2.17	10.58	10.66	9.00	(0.82)
Cash generated from operations	**1,030.70**	**828.37**	**1,573.33**	**(502.18)**	**704.14**
Income taxes paid, net	(169.74)	(218.64)	(341.99)	(15.94)	(113.44)
Net cash generated from/ (used in) operating activities	**860.96**	**609.73**	**1,231.34**	**(518.12)**	**590.70**
Cash flows from investing activities					
Payments for property, plant and equipment and intangible assets	(717.33)	(802.39)	(947.39)	(599.94)	(561.59)
Proceeds from sale of property, plant and equipment and intangible assets	4.14	3.67	2.47	1.54	3.52
Proceeds from sale of biological assets	1.71	1.05	2.90	0.13	-
Purchase of biological assets	-	-	-	(3.29)	(2.65)
Capital infused by non-controlling interest in the subsidiary	0.32	-	-	-	-
Purchase of shares in associate	-	-	(17.67)	-	-
Proceeds from sale of investment in associate	-	-	-	2.18	-
Redemption of/ (investment in) inter corporate deposit	-	-	-	55.00	(55.00)
Investment made in Dodla Milk Processing Plc -	-	-	-	-	(14.74)

Particulars	For the year ended March 31,				
	2018	2017	2016 Profo rma	2015 Profo rma	2014 Profo rma
Ethiopia					
Refund of share application money pending allotment - Dodla Milk Processing Plc - Ethiopia	-	-	12.44	-	-
Purchase of mutual funds	(445.57)	(260.88)	(346.20)	(934.49)	(1,143.12)
Proceeds from sale of mutual funds	492.85	245.00	332.33	1,283.51	1,212.39
Interest/ dividend received	6.97	22.93	25.73	37.29	27.14
Deposits (placed)/ matured (having original maturity of more than three months)	(0.20)	(0.50)	2.41	(2.41)	4.44
Net cash used in investing activities	**(657.11)**	**(791.12)**	**(932.98)**	**(160.48)**	**(529.61)**
Cash flows from financing activities					
Receipt of long term borrowings from banks	-	70.00	300.00	-	205.00
Repayment of long term borrowings to banks	(72.82)	(54.07)	(44.24)	(231.09)	(86.37)
Receipt of government grant	25.78	0.43	15.00	-	-
(Repayment)/ receipt of short term borrowings, net	(250.00)	275.00	(421.50)	381.50	50.00
Dividend paid (including dividend distribution tax)	-	-	(98.54)	-	-
Finance costs paid	(103.81)	(99.64)	(108.59)	(74.64)	(28.92)
Net cash (used in)/ generated from financing activities	**(400.85)**	**191.72**	**(357.87)**	**75.77**	**139.71**
Net (decrease)/ increase in cash and cash equivalents	**(197.00)**	**10.33**	**(59.51)**	**(602.83)**	**200.80**
Cash and cash equivalents at the beginning of the financial year	(231.75)	(239.08)	(176.81)	427.98	227.18
Effect of exchange rate fluctuations on cash held	(0.21)	(3.00)	(2.76)	(1.96)	-
Cash and cash equivalents at end of the year	**(428.96)**	**(231.75)**	**(239.08)**	**(176.81)**	**427.98**
Cash and cash equivalents as per above comprise of the following-					
Cash on hand	15.03	20.30	13.24	12.65	44.82
Balances with banks					
-in current accounts	74.14	91.32	104.95	161.80	310.18
-in deposit accounts (with original maturity of less than three months)	50.00	-	-	9.39	73.12
Cash credit and overdraft balances	(568.13)	(343.37)	(357.27)	(360.65)	(0.14)
Balances as per statement of cash flows	**(428.96)**	**(231.75)**	**(239.08)**	**(176.81)**	**427.98**

RESTATED STANDALONE FINANCIAL INFORMATION ON ASSETS AND LIABILITES

(*₹ in million*)

Particulars	As at 31 March				
	2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
ASSETS					
Non-current assets					
Property, plant and equipment	2,937.77	2,315.19	1,585.54	1,244.20	745.06
Capital work-in-progress	150.10	298.82	351.66	35.67	187.36
Intangible assets	6.07	2.83	1.78	1.90	2.45
Biological assets other than bearer plants					
Matured biological assets	20.34	17.68	12.89	5.52	-
Immatured biological assets	7.65	5.87	5.35	7.94	4.33
Financial assets					
Investments	478.94	407.84	340.07	274.11	1.63
Loans	147.07	205.93	38.22	32.73	28.42
Other financial assets	-	0.50	-	-	-
Income tax assets	38.52	38.52	38.52	-	10.59
Other non-current assets	81.04	136.68	331.11	234.12	251.07
Total non-current assets	**3,867.50**	**3,429.86**	**2,705.14**	**1,836.19**	**1,230.91**
Current assets					
Inventories	1,295.79	828.18	891.49	1,416.66	482.48
Financial assets					
Investments	598.49	683.54	637.10	609.72	925.60
Trade receivables	19.35	5.26	5.07	11.52	6.49
Loans	67.00	12.50	12.50	-	-
Cash and cash equivalents	110.98	69.37	91.85	110.24	428.12
Bank balances other than above	0.70	-	-	2.41	-
Derivatives	-	4.88	11.28	11.27	12.07
Other financial assets	1.63	1.39	1.30	25.58	73.43
Other current assets	46.00	273.26	27.30	55.49	78.60
Total current assets	**2,139.94**	**1,878.38**	**1,677.89**	**2,242.89**	**2,006.79**
Total assets	**6,007.44**	**5,308.24**	**4,383.03**	**4,079.08**	**3,237.70**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	32.75	32.75	32.75	32.75	32.75
Other equity	3,395.65	2,871.06	2,412.68	2,000.41	1,874.57
Total equity	**3,428.40**	**2,903.81**	**2,445.43**	**2,033.16**	**1,907.32**
Liabilities					
Non-current liabilities					
Financial liabilities					
Borrowings	222.50	315.00	323.79	80.92	126.82
Deferred tax liabilities (net)	208.52	130.75	91.62	99.73	89.38
Government grants	34.52	14.46	15.91	3.45	3.67
Provisions	68.88	88.67	52.94	38.97	18.44
Total non-current liabilities	**534.42**	**548.88**	**484.26**	**223.07**	**238.31**
Current liabilities					
Financial liabilities					
Borrowings	943.13	968.37	707.27	1,132.15	390.14
Trade payables	592.52	486.38	423.53	427.37	311.55
Other financial liabilities	314.72	239.26	182.37	122.92	292.46
Government grants	2.86	1.46	1.46	0.22	0.22
Provisions	16.15	8.38	5.59	4.34	2.41
Current tax liabilities	131.41	111.02	99.22	116.70	77.45
Other current liabilities	43.83	40.68	33.90	19.15	17.84

Particulars	As at 31 March				
	2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Total current liabilities	**2,044.62**	**1,855.55**	**1,453.34**	**1,822.85**	**1,092.07**
Total liabilities	**2,579.04**	**2,404.43**	**1,937.60**	**2,045.92**	**1,330.38**
Total equity and liabilities	**6,007.44**	**5,308.24**	**4,383.03**	**4,079.08**	**3,237.70**

RESTATED STANDALONE FINANCIAL INFORMATION ON PROFITS AND LOSSES

(*₹ in million*)

Particulars	For the year ended 31 March				
	2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Revenue from operations	15,372.67	14,099.84	11,815.64	10,183.37	8,419.19
Other income	63.50	71.45	55.93	81.17	69.21
Total income	**15,436.17**	**14,171.29**	**11,871.57**	**10,264.54**	**8,488.40**
Expenses					
Cost of materials consumed	12,407.11	10,976.15	8,813.28	9,255.42	6,345.07
Purchases of stock-in-trade	-	-	27.46	26.62	2.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(417.14)	199.11	289.88	(883.35)	479.73
Employee benefit expense	613.13	522.03	461.16	347.63	268.50
Depreciation and amortisation expense	252.79	177.50	150.53	113.89	47.97
Finance costs	99.70	78.04	108.17	82.78	36.71
Other expenses	1,725.03	1,534.19	1,273.39	1,133.00	917.87
Total expenses	**14,680.62**	**13,487.02**	**11,123.87**	**10,075.99**	**8,098.01**
Profit before tax	**755.55**	**684.27**	**747.70**	**188.55**	**390.39**
Income tax expense					
-Current tax	177.19	182.63	242.25	54.00	127.54
-Deferred tax	69.67	40.56	(7.16)	9.78	9.40
Total tax expense	**246.86**	**223.19**	**235.09**	**63.78**	**136.94**
Profit for the year (A)	**508.69**	**461.08**	**512.61**	**124.77**	**253.45**
Other comprehensive income					
Items that will not be reclassified subsequently to the statement of profit or loss					
Remeasurement of the net defined benefit obligation	23.40	(4.13)	(2.75)	1.64	1.58
Income tax relating to these items	(8.10)	1.43	0.95	(0.57)	(0.55)
Other comprehensive income for the year (B)	**15.30**	**(2.70)**	**(1.80)**	**1.07**	**1.03**
Total comprehensive income for the year (A+B)	**523.99**	**458.38**	**510.81**	**125.84**	**254.48**

RESTATED STANDALONE FINANCIAL INFORMATION ON CASH FLOWS

(₹ in million)

Particulars	For the year ended 31 March				
	2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Cash flows from operating activities					
Profit before tax	755.55	684.27	747.70	188.55	390.39
Adjustments for:					
Depreciation and amortisation expense	252.79	177.50	150.53	113.89	47.97
Gain on fair valuation of biological assets	(9.82)	(8.95)	(8.39)	(6.25)	(1.68)
Net loss on sale/ retirement of property, plant and equipment	4.62	1.83	1.69	0.41	1.20
Net loss on sale/ retirement of biological assets	3.67	2.59	0.71	0.28	-
Interest income	(3.28)	(3.25)	(2.85)	(5.05)	(16.26)
Finance costs	99.70	78.04	108.17	82.78	36.71
Employee share based payment expenses	0.60	-	-	-	-
Dividend income from investment in mutual funds	(3.90)	(19.56)	(23.03)	(29.49)	(14.12)
Net profit on sale of current investments	(0.82)	(3.73)	(1.94)	(5.15)	(1.38)
Profit on sale of investments in associate	-	-	-	(0.55)	-
Fair value gain on financial assets measured at fair value through profit and loss, net	(32.51)	(26.83)	(11.57)	(27.99)	(16.23)
Government grant income	(4.32)	(1.88)	(1.30)	(0.22)	(0.22)
Reversal of provision for doubtful debts	-	-	(17.95)	1.75	-
Provision for other than temporary diminution in the value of non-current investments	-	-	38.67	-	-
Unrealised foreign exchange (gain)/ loss, net	(0.34)	(1.15)	3.73	1.64	(3.53)
	1,061.94	**878.88**	**984.17**	**314.60**	**422.85**
Change in operating assets and liabilities					
(Increase)/ decrease in trade receivables	(14.09)	(0.19)	6.45	(5.03)	9.24
(Increase)/ decrease in inventories	(467.61)	63.31	525.17	(934.18)	273.40
Decrease/ (increase) in loans and other financial assets	1.10	(9.76)	(3.95)	39.15	(57.19)
Decrease/ (increase) in other current and non-current assets	229.66	(251.36)	28.19	(31.89)	7.93
Increase in trade payables and other financial liabilities	160.47	94.49	38.73	129.47	40.51
Increase in employee benefit obligations	11.38	34.39	12.47	24.10	6.55
Increase/ (decrease) in other current and non-current liabilities	3.15	6.78	14.75	1.31	(0.82)
Cash generated from operations	**986.00**	**816.54**	**1,605.98**	**(462.47)**	**702.47**
Income taxes paid, net	(158.13)	(219.06)	(336.67)	(15.50)	(113.44)
Net cash generated from/ (used in) operating activities	**827.87**	**597.48**	**1,269.31**	**(477.97)**	**589.03**
Cash flows from investing activities					
Payments for property, plant and equipment and intangible assets	(668.52)	(738.80)	(869.40)	(441.43)	(559.92)
Proceeds from sale of property, plant and equipment and intangible assets	2.62	1.40	2.46	1.54	3.52
Proceeds from sale of biological assets	1.71	1.05	2.90	0.13	-
Purchase of biological assets	-	-	-	(3.29)	(2.65)
Purchase of shares in subsidiary	-	(67.77)	(65.96)	(274.11)	-
Purchase of shares in associate	-	-	(17.67)	-	-
Proceeds from sale of investment in associate	-	-	-	2.18	-
Redemption of/ (investment in) inter corporate deposit	-	-	-	55.00	(55.00)
Investment made in Dodla Milk Processing Plc - Ethiopia	-	-	-	-	(14.74)

Particulars	For the year ended 31 March				
	2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Refund of share application money pending allotment - Dodla Milk Processing Plc - Ethiopia	-	-	12.44	-	-
Purchase of mutual funds	(445.57)	(260.88)	(346.20)	(934.49)	(1,143.12)
Proceeds from sale of mutual funds	492.85	245.00	332.33	1,283.51	1,212.39
Interest/ dividend received	6.94	22.72	25.63	37.18	27.14
Deposits (placed)/ matured (having original maturity of more than three months)	(0.20)	(0.50)	2.41	(2.41)	4.44
Net cash used in investing activities	**(610.17)**	**(797.78)**	**(921.06)**	**(276.19)**	**(527.94)**
Cash flows from financing activities					
Receipt of long term borrowings from banks	-	70.00	300.00	-	205.00
Repayment of long term borrowings to banks	(72.82)	(54.07)	(49.63)	(231.09)	(86.37)
Receipt of government grant	25.78	0.43	15.00	-	-
(Repayment)/ receipt of short term borrowings, net	(250.00)	275.00	(421.50)	381.50	50.00
Dividend paid (including dividend distribution tax)	-	-	(98.54)	-	-
Finance costs paid	(103.81)	(99.64)	(108.59)	(74.64)	(28.92)
Net cash (used in)/ generated from financing activities	**(400.85)**	**191.72**	**(363.26)**	**75.77**	**139.71**
Net (decrease)/ increase in cash and cash equivalents	**(183.15)**	**(8.58)**	**(15.01)**	**(678.39)**	**200.80**
Cash and cash equivalents at the beginning of the financial year	(274.00)	(265.42)	(250.41)	427.98	227.18
Cash and cash equivalents at end of the year	**(457.15)**	**(274.00)**	**(265.42)**	**(250.41)**	**427.98**
Cash and cash equivalents as per above comprise of the following-					
Cash on hand	14.46	18.54	12.80	12.39	44.82
Balances with banks					
-in current accounts	46.52	50.83	79.05	97.85	310.18
-in deposit accounts (with original maturity of less than three months)	50.00	-	-	-	73.12
Cash credit and overdraft balances	(568.13)	(343.37)	(357.27)	(360.65)	(0.14)
Balances as per statement of cash flows	**(457.15)**	**(274.00)**	**(265.42)**	**(250.41)**	**427.98**

THE OFFER

The following table summarises the Offer details:

Equity Shares Offered	
Offer of Equity Shares	Up to [●] Equity Shares, aggregating to ₹[●] million
of which	
Fresh Issue[(1)]	Up to [●] Equity Shares, aggregating to ₹1,500 million
Offer for Sale[(2)]	Up to 9,543,770 Equity Shares, aggregating to ₹[●] million
The Offer consists of:	
A) QIB Portion[(3)(4)]	[●] Equity Shares
of which:	
Anchor Investor Portion[(3)]	[●] Equity Shares
Of which:	
Available for allocation to mutual funds only	[●] Equity Shares
Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	55,671,991 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 81 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

** to be updated upon finalisation of Offer Price*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see "*Offer Procedure - Basis of Allotment*" on page 375.

(1) The Fresh Issue has been authorized by a resolution of our Board of Directors dated July 13, 2018 and a special resolution of our Shareholders at the AGM held on July 17, 2018

(2) The Offer for Sale has been authorised by the Investor Selling Shareholder pursuant to a resolution of the board of directors of TDDHPL dated July 24, 2018 and by the Individual Selling Shareholder pursuant to a letter dated August 4, 2018. The Selling Shareholders severally and not jointly confirm that the Equity Shares being offered by them in the Offer, have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, and are eligible for being offered for sale in the Offer as required by Regulation 26(6) of the SEBI ICDR Regulations.

(3) Our Company and Selling Shareholders in consultation with BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. For details, see "Offer Procedure" on page 347.

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

GENERAL INFORMATION

Our Company was incorporated as Dodla Dairy Limited on May 15, 1995 at Hyderabad, Andhra Pradesh at Hyderabad as a public limited company under the Companies Act, 1956. Our Company commenced business on May 23, 1995.

Registered and Corporate Office

Dodla Dairy Limited

8-2-293/82/A/270-Q, Road No 10-C
Jubilee Hills, Hyderabad, 500 033
Telangana, India
Tel: +91 40 4546 7777
Fax: +91 40 4546 7788
E-mail: mail@dodladairy.com
Website: www.dodladairy.com
Corporate Identity Number: U15209TG1995PLC020324

For details in relation to changes in the Registered Office, see "*History and Certain Corporate Matters*" on page 156.

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies
2nd Floor, Corporate Bhawan
GSI Post, Tattiannaram Nagole
Bandlaguda, Hyderabad, 500 068
Telangana, India
Telephone: +91 40 2980 5427
Fax: +91 40 2980 3727

Board of Directors

Our Board comprises the following:

Name	Designation	DIN	Address
Dodla Sesha Reddy	Chairman and Non-Executive Director	00520448	2, Bishop Wallers, Avenue (West), Mylapore, Chennai, 600 004, Tamil Nadu, India
Dodla Sunil Reddy	Managing Director	00794889	8-2-696/697 G 04/05 La Creative Heights Road No. 12, Banjara Hills, Hyderabad, 500 034, Telangana, India
Madhusudhana Reddy Ambavaram	Whole-time Director	08126380	10-3-32/9/29/B, East Maredpally, Near OBC Secunderabad, 500 026, Telangana, India
Akshay Tanna	Non- Executive Nominee Director	02967021	A/72, Darshan Apts, Mount Pleasant Road, Malabar Hill, Nr Chief Ministers Bungalow, Mumbai, 400 006, Maharashtra, India
Kishore Mirchandani	Independent Director	00739535	450 Alton Rd, Apt 3506, Miami Beach, 33139-0000, Florida
Ponnavolu Divya	Independent Director	05158352	54, Kasthuri Rangan Road, Alwarpet, Chennai, 600 018, Tamil Nadu, India
Rampraveen Swaminathan	Independent Director	01300682	Fl No-C-1, Block-C, Meenakshi Trident Towers, Near Raheja Mindspace Circle, Gachibowli, 500 032, Telangana, India
Raman Tallam Puranam	Independent Director	00320782	C-3, Ashreya, No. 11/23, Raman Street, T. Nagar, Chennai, 600 017, Tamil Nadu, India

For further details of our Directors, see "*Our Management*" on page 162 .

Chief Financial Officer

Hemanth Kundavaram
8-2-293/82/A/270-Q, Road No 10-C
Jubilee Hills, Hyderabad, 500 033
Telangana, India
Tel: +91 40 4546 7777
Fax: +91 40 4546 7788
Email: cfo@dodladairy.com

Company Secretary and Compliance Officer

Ruchita Malpani
8-2-293/82/A/270-Q, Road No 10-C
Jubilee Hills, Hyderabad, 500 033
Telangana, India
Tel: +91 40 4546 7777
Fax: +91 40 4546 7788
E-mail: cs@dodladairy.com

Investors can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Form and the name and address of the relevant BRLM where the Anchor Investor Form was submitted by the Anchor Investor.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, the Bidders shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.

Book Running Lead Managers

Edelweiss Financial Services Limited	**ICICI Securities Limited**
14th Floor, Edelweiss House	ICICI Center
Off CST Road, Kalina	H.T. Parekh Marg Churchgate
Mumbai, 400 098	Mumbai, 400 020
Maharashtra, India	Maharashtra, India
Tel: + 91 22 4009 4400	Tel: +91 22 2288 2460
Fax: +91 22 4086 3610	Fax: +91 22 2282 6580
E-mail: dodla.ipo@edelweissfin.com	E-mail: dodladairy.ipo@icicisecurities.com
Investor grievance E-mail:customerservice.mb@edelweissfin.com	Investor grievance E-mail: customercare@icicisecurities.com
Website: www.edelweissfin.com	Website: www.icicisecurities.com
Contact Person: Nishita John / Tanya Rizvi	Contact Person: Arjun A Mehrotra / Rishi Tiwari
SEBI Registration No.: INM0000010650	SEBI Registration No.: INM000011179

Syndicate Members

[●]

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas
201, Midford House, Midford Garden
Off M.G. Road
Bengaluru, 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Legal Counsel to the BRLMs as to Indian Law

Shardul Amarchand Mangaldas & Co.
24th Floor, Express Towers,
Nariman Point,
Mumbai, 400 021
Maharashtra, India
Tel.: +91 22 4933 5555
Fax: +91 22 4933 5550

Legal Counsel to the Investor Selling Shareholder

AZB & Partners
AZB House
Peninsula Corporate Park,

Ganpatrao Kadam Marg,
Lower Parel, Mumbai, 400 013
Maharashtra, India
Tel.: +91 22 6639 6880
Fax: +91 22 6639 6888

Statutory Auditors to our Company

B S R & Associates LLP
Salarpuria Knowledge City
Orwell, 6th Floor, Unit-3
Sy No.83/1, Plot No.2 Raidurg
Hyderabad, 500 081, India
Tel: +91 40 7182 2000
Fax: +91 40 7182 2399
E-mail: vsomani@bsraffiliates.com
Firm Registration No.: 116231W/ W-100024
Peer review no: 009059

Registrar to the Offer

Karvy Computershare Private Limited
Karvy Selenium Tower-B
Plot No. 31 - 32 Gachibowli, Financial District, Nanakramguda,
Hyderabad, 500 032
Tel:+91 40 6716 2222
Fax:+91 40 6716 1551
E-mail: dodladiary.ipo@karvy.com
SEBI Registration No.: INR000000221

Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s)/ Public Offer Account Bank(s)

[●]

Bankers to our Company

HDFC Bank Limited
7th Floor, Roxana Palladium, Road No. 1, Banjara Hills,
Hyderabad, 500 034
Tel:+91 040 3009 1370
Fax: Not available
E-mail: jayaprada.kurumaddali@hdfcbankcom
Website: www.hdfcbank.com
Contact Person: Jayaprada K

ICICI Bank Limited
SMEAG Department, 4th floor, Plot no 12, ICICI Bank Limited,
ICICI Bank Towers,
Nanakramguda, Hyderabad
Tel:+91 040 4108 2017
Fax: Not available
E-mail: akshay.ms@icicibankcom
Website: www.icicibank.com
Contact Person: Akshay MS

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the Self Certified Syndicate Banks **(**the "**SCSBs**") for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, B S R & Associates LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Information each dated July 17, 2018 and the statement of tax benefits dated July 20, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Servel Krishna Engineers Private Limited, chartered engineer to include their name as an "expert" as defined under section 2(38) of the Companies Act in respect of the certificate dated August 2, 2018 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of Red Herring Prospectus with the RoC in accordance with Regulation 16 of SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

IPO Grading

No credit agency registered with SEBI has been appointed for grading the Offer.

Inter-se allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No	Activities	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Edelweiss, I-Sec	Edelweiss
2.	Pre-Offer due diligence of our Company including its operations/management/business plans/legal etc., Drafting and design of DRHP, RHP and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing	Edelweiss, I-Sec	Edelweiss
3.	Drafting and approval of all statutory advertisements	Edelweiss, I-Sec	Edelweiss
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in 3 above, including corporate advertising, brochures, media monitoring, etc. & filing of media compliance report	Edelweiss, I-Sec	I-Sec
5.	Appointment of Registrar to the Offer, printers, Escrow Collection Banks, share escrow agent, advertising agency (including coordinating all agreements to be entered with such parties)	Edelweiss, I-Sec	I-Sec
6.	Preparation of road show presentation and FAQs for the road show team	Edelweiss, I-Sec	Edelweiss
7.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	Edelweiss, I-Sec	Edelweiss

Sr. No	Activities	Responsibility	Coordination
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	Edelweiss, I-Sec	I-Sec
9.	Conduct non-institutional marketing of the Offer Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	Edelweiss, I-Sec	I-Sec
10.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, deposit of 1% security deposit	Edelweiss, I-Sec	I-Sec
11.	Managing the book and finalization of pricing in consultation with our Company	Edelweiss, I-Sec	Edelweiss
12.	Post-Bidding activities – managing Anchor book related activities and submission of letters to regulators post completion of Anchor issue, management of escrow accounts, coordinating underwriting, coordination of non-institutional allocation, finalization of the basis of allotment based on technical rejections, listing of instruments, demat credit and refunds/ unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc, payment of the applicable STT, coordination with SEBI and Stock Exchanges for refund of 1% security deposit	Edelweiss, I-Sec	I-Sec

Credit Rating

As this is an offer of Equity Shares, there is no credit rating required for the Offer.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book Building Process, in the context of the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid lot size will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in all editions of [●], all editions of [●] and all editions of [●], which are widely circulated English, Hindi and Telugu daily newspapers respectively (Telugu being the regional language of Telangana where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "*Offer Structure*" and "*Offer Procedure*" on page 344 and page 347, respectively.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restriction and terms of the Offer.

The Book Building Process and the Bidding Process under the SEBI ICDR Regulations are subject to change from time to time. Investors are advised to make their own judgement about an investment through this process prior to submitting a Bid.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process*" on page 374.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation

13 of the SEBI ICDR Regulations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement

CAPITAL STRUCTURE

The Share capital of our Company, as of the date of this Draft Red Herring Prospectus is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	**AUTHORIZED SHARE CAPITAL**[(1)]		
	75,000,000 Equity Shares	750,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	55,671,991 Equity Shares	556,719,910	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares[(2)]	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares	[●]	₹1,500 million
	Offer for Sale of up to [●] Equity Shares[(3)]	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares (assuming full subscription in the Offer)		[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		568,280,090
	After the Offer		[●]

(1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 157

(2) The Fresh Issue has been authorized by a resolution of our Board of Directors dated July 13, 2018, and a special resolution of our Shareholders passed at their AGM dated July 17, 2018

(3) Each Selling Shareholder, severally and not jointly, confirms that their respective portion of its Offered Shares are eligible for the Offer in accordance with Regulation 26(6) of SEBI ICDR Regulations. The Offer for Sale has been authorised by the Investor Selling Shareholder pursuant to a resolution by the board of directors of TDHPPL dated July 24, 2018. Additionally, the Offer for Sale has also been authorised by the Individual Selling Shareholder pursuant to a letter dated August 4, 2018.

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) ***Equity Share Capital***

The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
May 18, 1995	9	10	10	Cash	Subscription to the MOA[(1)]	9	90
December 23, 1998	2,319,430	10	10	Cash	Preferential allotment[(2)]	2,319,439	23,194,390
March 30, 2001	180,561	10	10	Cash	Preferential allotment[(3)]	2,500,000	25,000,000
November 5, 2012	774,823	10	1,419.68	Cash	Preferential allotment[(4)]	3,274,823	32,748,230
July 17, 2018	52,397,168	10	N/A	N/A	Bonus issue in the ratio of 16 Equity Shares for every one Equity Share[(5)]	55,671,991	556,719,910

(1) One Equity Share each was allotted to D. Chenchurami Reddy, Dodla Sesha Reddy, Dodla Subba Reddy, Dodla Sunil Reddy, Dodla Girija Reddy, Dodla Deepa Reddy, R. Ramanathan, N. Krishnaswamy and A. Ramchandra Rao

(2) 2,319,430 Equity Shares allotted to ninety four allottees
(3) 30,561 Equity Shares allotted to Dodla Sesha Reddy and 150,000 Equity Shares allotted to Dodla Deepa Reddy
(4) 774,823 Equity Shares allotted to BR CPF Holdings (Mauritius) Limited
(5) 29,178,688 Equity Shares allotted to Dodla Sunil Reddy, 14,147,232 Equity Shares allotted to TDDHPL, 7,384,016 Equity Shares allotted to Dodla Deepa Reddy, 639,248 Equity Shares allotted to Venkat Krishna Reddy Busireddy, 523,984 Equity Shares allotted to Bommi Surekha Reddy, 523,968 Equity Shares allotted to Dodla Sesha Reddy, 16 Equity Shares allotted to Dodla Girija Reddy and 16 Equity Shares allotted to Dodla Subba Reddy

As of the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

(b) Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

2. **Issue of Shares for consideration other than cash**

(a) Our Company has not issued any Shares out of revaluation reserves.

(b) Our Company has not issued any Shares for consideration other than cash as of the date of this Draft Red Herring Prospectus

3. **History of the Equity Share Capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 31,559,072 Equity Shares, constituting 56.69% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) Build-up of our Promoters shareholding in our Company:

Date of allotment/ transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Acquisition / Transfer price per Equity Share (₹)	Nature of Consideration	Nature of Transaction	Percentage (%) of pre-Offer Equity Share Capital	Percentage (%) of post-Offer Equity Share Capital
Dodla Sunil Reddy							
May 18, 1995	1	10	10	Cash	Subscription to the MOA	0.00	[●]
December 23, 1998	205,925	10	10	Cash	Preferential allotment	0.37	[●]
December 24, 2001	444,550	10	2.5	Cash	Transfer of 444,550 Equity Shares from shareholders'	0.80	[●]
August 3, 2012	82	10	Nil	Gift	Transfer of 1 Equity Share from N. S. Krishnaswamy and 1 Equity Share from A. Ramchandra Rao	0.00	[●]
October 29, 2012	181,645	10	Nil	Gift	Transfer of 118,228 Equity Shares from Dodla Subba Reddy, 63,417 Equity Shares from D. Chenchurami Reddy	0.33	[●]
November 16, 2012	1	10	Nil	Gift	Transfer of 1 Equity Share from R. Ramanathan	0.00	[●]
June 29, 2017	109,379	10	Nil	Gift	Transfer of 109,379 Equity Shares from Dodla Subba Reddy	0.20	[●]
July 20, 2017	(4,163)	10	3,627.68	Cash	Transfer of 4,163 Equity Shares from Dodla Sunil Reddy to TDDHPL	(0.01)	[●]
January 22, 2018	(105,216)	10	Nil	Gift	Transfer of 105,216 Equity Shares to Dodla Deepa Reddy	(0.19)	[●]

Date of allotment/ transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Acquisition / Transfer price per Equity Share (₹)	Nature of Consideration	Nature of Transaction	Percentage (%) of pre-Offer Equity Share Capital	Percentage (%) of post-Offer Equity Share Capital
May 12, 2018	991,544	10	Nil	Gift	Transfer of 991,544 Equity Shares from Dodla Sesha Reddy	1.78	[●]
July 17, 2018	29,178,688	10	Nil	N/A	Bonus issue in the ratio of 16 Equity Shares for every one Equity Share	52.41	[●]
July 30, 2018	(16,144,877)	10	Nil	N/A	Transfer of 16,144,877 Equity Shares to Dodla Family Trust for settling the Dodla Family Trust Property	(29.00)	[●]
Sub Total (A)	**14,857,479**					**26.69**	
Dodla Sesha Reddy							
May 18, 1995	1	10	10	Cash	Subscription to the MOA	0.00	[●]
December 23, 1998	261,000	10	10	Cash	Preferential allotment	0.47	[●]
March 30, 2001	30,561	10	10	Cash	Preferential allotment	0.05	[●]
June 25, 2003	(281,561)	10	Nil	Gift	Transfer of 221,561 Equity Shares to Dodla Girija Reddy and 60,000 Equity Shares to Dodla Subba Reddy.	(0.51)	[●]
August 29, 2016	134,999	10	Nil	Gift	Transfer of 134,999 Equity Shares from D. Padmavathamma	0.24	[●]
March 31, 2018	1,050,238	10	Nil	Gift	Transfer of 822,119 Equity Shares from Dodla Girija Reddy and 228,119 Equity Shares from Dodla Subba Reddy	1.89	[●]
May 12, 2018	(1,162,490)	10	Nil	Gift	Transfer of 991,544 Equity Shares to Dodla Sunil Reddy, 98,245 to Dodla Deepa Reddy, 32,748 to Bommi Surekha Reddy and 39,953 to Venkat Krishna Reddy Busireddy	(2.09)	[●]
July 17, 2018	523,968	10	N/A	N/A	Bonus issue in the ratio of 16 Equity Shares for every one Equity Share	0.94	[●]
Sub Total (B)	**556,716**					**1.00**	**[●]**
Dodla Family Trust							
July 30, 2018	16,144,877	10	N/A	N/A	Transfer of 16,144,877 Equity Shares from Dodla Sunil Reddy for settling the Dodla Family Trust Property	29.00	[●]
Sub Total (C)	**16,144,877**					**29.00**	**[●]**
Total (A+B+C)	**31,559,072**					**56.69**	**[●]**

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

(b) Details of Promoters contribution and lock-in:

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum Promoter's contribution and locked-in for a period of three years from the date of Allotment and our Promoters shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that the Equity Shares being locked-in do not and shall not consist of:

(i) Equity Shares acquired during the three years preceeding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets; or (b) result from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are ineligible for computation of minimum Promoters contribution;

(ii) Equity Shares acquired by our Promoters during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which Equity Shares are being offered to the public in the Offer

Further, we confirm that our Company has not been formed by conversion of one or more partnership firms, and hence no Equity Shares have been allotted to our Promoters in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.

In this regard, our Promoters specifically confirm that the Equity Shares held by our Promoters that are offered as part of the minimum Promoter's contribution are not subject to any pledge or any other encumbrance and that all the Equity Shares held by our Promoters are in demat form.

The details of the Equity Shares held by our Promoters and locked-in as minimum Promoter's contribution are given below:

Name of the Promoter	No. of Equity Shares	Date of allotment/ transfer of Equity Shares and when made fully paid-up	Nature of Transaction	Face Value per Equity Share (₹)	Offer/ Acquisition Price per Equity Share (₹)	Percentage (%) to Pre-Offer Paid-up Capital	Percentage (%) to Post-Offer Paid-up Capital
Dodla Sunil Reddy	[●]	[●]	[●]	[●]	[●]	[●]	[●]
TOTAL	[●]	[●]	[●]	[●]	[●]	[●]	[●]

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot.

(c) Details of share capital locked-in for one year:

In terms of the Regulation 37 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of our minimum Promoter's contribution as stated above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment except the Equity Shares forming part of the Offer for Sale. Any unsubscribed portion of the Equity Shares forming part of the Offer for Sale would also be locked in as required under the SEBI ICDR Regulations.

The Equity Shares allotted to eligble employees (who will continue to be employees of the Company as on the date of the Allotment) under the ESOP Plan shall not be subject to lock-in.

***(d) Other requirements in respect of lock-in*:**

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) such pledge of Equity Shares is one of the terms of sanction of the loan; (ii) if the Equity Shares are locked-in as minimum Promoter's contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations, then in addition to the requirement in (i) above, such Equity Shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects

of the Offer; and (iii) as specified under Regulation 36(b), Promoter's holding in excess of minimum promoters' contribution shall be locked in for a period of one year.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters which are locked-in in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

(e) Lock-in of Equity Shares Allotted to Anchor Investors:

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. **Details of the Equity Share capital held by the Promoters and members of the Promoter Group in our Company as on date of the Draft Red Herring Prospectus**

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital	Percentage (%) of Post-Offer Capital
Promoters			
Dodla Family Trust	16,144,877	29.00	[●]
Dodla Sunil Reddy	14,857,479	26.69	[●]
Dodla Sesha Reddy	556,716	1.00	[●]
Total Holding of the Promoters (A)	**31,559,072**	**56.69**	[●]
Promoter Group			
Dodla Deepa Reddy	7,845,517	14.09	[●]
Bommi Surekha Reddy	556,733	1.00	[●]
Dodla Subba Reddy	17	0.00	[●]
Dodla Girija Reddy	17	0.00	[●]
Total Holding of the Promoter Group (Other than Promoters) (B)	**8,402,284**	**15.09**	[●]
Total Holding of Promoter and Promoter Group (A+B)	**39,961,356**	**71.78**	[●]

Selling Shareholders' Shareholding in our Company

Name of the Selling Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital	Percentage (%) of Post-Offer Capital
Dodla Deepa Reddy	7,845,517	14.09	[●]
TDDHPL	15,031,434	27.00	[●]
Total	**22,876,951**	**41.09**	[●]

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5. **Shareholding Pattern of our Company**

The table below presents the pre-Offer shareholding pattern of our Company as of the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class	Class	Total	Total as a % of (A+B)							
(A)	**Promoter and Promoter Group**	7	39,961,356	-	-	39,961,356	71.78	-	-	-	-	-	71.78	-	-	-	-	39,961,356
(B)	**Public**	2	15,710,635	-	-	15,710,635	28.22	-	-	-	-	-	28.22	-	-	-	-	15,710,635
	Total (A) + (B)	**9**	**55,671,991**			**55,671,991**	**100.00**						**100.00**					**55,671,991**

6. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them as of the date of this Draft Red Herring Prospectus, 10 days before the date of filing and two years prior to the date of filing of this Draft Red Herring Prospectus are set forth below:**

(a) Our top 10 Shareholders as of the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dodla Family Trust	16,144,877	29.00
2.	TDDHPL	15,031,434	27.00
3.	Dodla Sunil Reddy	14,857,479	26.69
4.	Dodla Deepa Reddy	7,845,517	14.09
5.	Venkat Krishna Reddy Busireddy	679,201	1.22
6.	Bommi Surekha Reddy	556,733	1.00
7.	Dodla Sesha Reddy	556,716	1.00
8.	Dodla Girija Reddy	17	0.00
9.	Dodla Subba Reddy	17	0.00
Total		**55,671,991**	**100.00**

(b) Our top 10 Shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dodla Family Trust	16,144,877	29.00
2.	TDDHPL	15,031,434	27.00
3.	Dodla Sunil Reddy	14,857,479	26.69
4.	Dodla Deepa Reddy	7,845,517	14.09
5.	Venkat Krishna Reddy Busireddy	679,201	1.22
6.	Bommi Surekha Reddy	556,733	1.00
7.	Dodla Sesha Reddy	556,716	1.00
8.	Dodla Girija Reddy	17	0.00
9.	Dodla Subba Reddy	17	0.00
Total		**55,671,991**	**100.00**

(c) Our top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dodla Sunil Reddy	832,124	25.41
2.	Girija Reddy	822,120	25.10
3.	Black River Capital Partners Food Fund Holdings (Singapore) Pte. Ltd.	774,823	23.66
4.	Dodla Deepa Reddy	363,256	11.09
5.	Dodla Subba Reddy	337,499	10.31
6.	D. Padmavathamma	135,000	4.12
7.	Dodla Sesha Reddy	10,001	0.31
Total		**3,274,823**	**100.00**

7. **Details of Equity Shares held by our Directors and Key Management Personnel in our Company**

Other than as set out below, none of our Directors or Key Management Personnel hold Equity Shares as of the date of this Draft Red Herring Prospectus.

Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
Dodla Sunil Reddy	14,857,479	26.69	[●]
Venkat Krishna Reddy Busireddy	679,201	1.22	[●]
Dodla Sesha Reddy	556,716	1.00	[●]

8. The BRLMs and their respective associates do not hold any Equity Shares as of the date of this Draft Red Herring Prospectus.

9. Except as disclosed in this Draft Red Herring Prospectus, our Company has not made any bonus issue of any kind or class of securities since incorporation.

10. Our Company has not allotted Equity Shares pursuant to the scheme of amalgamation approved under Section 391-394 of the Companies Act, 1956.

11. Our Company has not made any public issue of any kind or class of securities since its incorporation.

12. **Employee Stock Option Plans**

Our Company, pursuant to the resolution passed by our Board and our Shareholders' resolutions dated February 20, 2018 and March 23, 2018 respectively adopted the ESOP Plan. Pursuant to the ESOP Plan, options to acquire Equity Shares may be granted to Eligible Employees (as defined in the ESOP Plan). The aggregate number of Equity Shares, which may be issued under ESOP Plan, shall not exceed 1,391,800 Equity Shares. The ESOP Plan is in compliance with the SEBI ESOP Regulations. The details of the ESOP Plan, as certified by A Ramachandra Rao & Co, Chartered Accountants, through a certificate dated August 9, 2018, are as follows:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>A total of 8,35,074 options as on August 9, 2018. Of this the options granted in the last three financial years is furnished hereunder.

<table>
<tr><th>Year/ Period</th><th>No. of Options granted</th></tr>
<tr><td>Financial Year 2016</td><td>NA</td></tr>
<tr><td>Financial Year 2017</td><td>NA</td></tr>
<tr><td>Financial Year 2018</td><td>8,35,074</td></tr>
<tr><td>Total*</td><td>8,35,074</td></tr>
</table>
*As on the date of this Draft Red Herring Prospectus</td></tr>
<tr><td>Pricing formula of exercise price</td><td>The Company uses fair market value for valuation of options granted to calculate the employee compensation cost</td></tr>
<tr><td>Exercise price of options (in ₹)</td><td>Each tranche 213.3929 per option</td></tr>
<tr><td>Vesting period</td><td>Vesting period will be in four tranches of 25% each as below:

<table>
<tr><th>No of Options granted</th><th>Percentage of options granted</th><th>Date of Grant</th><th>Date of Vesting</th><th>Additional Conditions for vesting</th></tr>
<tr><td>104,397</td><td>12.5%</td><td rowspan="4">March 23, 2018 read with Board resolution dated July 13, 2018 and share holders approval dated July 17, 2018</td><td>One year from the date of grant</td><td rowspan="4">The Employee shall be in employment with the company on the date of vesting</td></tr>
<tr><td>104,380</td><td>12.5%</td><td>June 30, 2019</td></tr>
<tr><td>104,380</td><td>12.5%</td><td>June 30, 2020</td></tr>
<tr><td>104,380</td><td>12.5%</td><td>June 30, 2021</td></tr>
</table>
<table>
<tr><th>No of Options granted</th><th>Percentage of options granted</th><th>Date of Grant</th><th>Date of Vesting</th><th>Conditions for vesting</th></tr>
<tr><td>104,397</td><td>12.5%</td><td rowspan="4">March 23, 2018 read with Board resolution dated July 13, 2018 and share holders approval dated July 17, 2018</td><td>One year from the date of grant</td><td rowspan="4">Annual performance target to be determined by the Nomination and Remuneration Committee for the respective performance vesting years.</td></tr>
<tr><td>104,380</td><td>12.5%</td><td>June 30, 2019</td></tr>
<tr><td>104,380</td><td>12.5%</td><td>June 30, 2020</td></tr>
<tr><td>104,380</td><td>12.5%</td><td>June 30, 2021</td></tr>
</table></td></tr>
<tr><td>Options vested (excluding the options that have been exercised)</td><td>No options have been vested up to August 9, 2018</td></tr>
<tr><td>Options exercised</td><td>No options have been exercised by the Option Grantees as on August 9, 2018</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td></td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>Not Applicable</td></tr>
<tr><td>Options lapsed/ forfeited/ cancelled</td><td>No options have been lapsed/forfeited and cancelled up to August 9, 2018</td></tr>
<tr><td>Variation of terms of options</td><td>Not Applicable</td></tr>
<tr><td>Money realized by exercise of options</td><td>Not Applicable</td></tr>
<tr><td>Total number of options in force as on August 9, 2018</td><td>8,35,074 options</td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>(i) Senior managerial personnel i.e., Directors and Key Managerial Personnel</td><td>
<table>
<tr><th rowspan="2">Senior Managerial Personnel Name$</th><th colspan="3">No of Options granted</th></tr>
<tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr>
<tr><td>Mr. Venkat Krishna Reddy Busireddy</td><td>835074</td><td>-</td><td>-</td></tr>
</table>

Senior Managerial Personnel as identified by the Company</td></tr>
<tr><td>(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year</td><td>No</td></tr>
<tr><td>(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td>Mr. Venkat Krishna Reddy Busireddy was granted options equivalent to 1.5% of the issued share capital of the Company at the time of grant of option</td></tr>
<tr><td>Fully diluted EPS on pre-Offer basis pursuant to exercise of options calculated in accordance with the relevant accounting standard in ₹</td><td>Diluted EPS as on March 31, 2018 ₹154.41 (Note: Diluted EPS is same as basic EPS as the issue of Options do not have any dilutive impact since the exercise price is higher than the market price of the shares).</td></tr>
<tr><td>Impact on profit and EPS of the last three years if the accounting policies as specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed in respect of options granted in the last three Fiscal years</td><td>ESOP compensation cost charged to P&L account for 2017-18 is ₹6,00,000, for 2016-17- NA, 2015-16 – NA

Impact on EPS due to issue of EPS for 2017-18 is Nil (As the issue of options at exercise price higher than the market price did not result in dilution of EPS)</td></tr>
<tr><td>Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee</td><td>NA- The company has followed fair value method.</td></tr>
</table>

Particulars	Details
compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and EPS of the Company	
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price- ₹213.3929/Equity Share Weighted average fair value of options- ₹36.72/option
Description of the method and significant assumptions used during the year to estimate the fair value of options, including weighted average information, namely, risk- free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option	Black Scholes Options Pricing model is used for estimating fair value of options. Following factors were taken in to consideration- (a) the exercise price of the option- This price is as per Letter of Grant from The Nomination and Remuneration Committee to Mr. Venkat Krishna Reddy Busireddy dated March 23, 2018 (b) the life of the option- This is based on Vesting Period and undertaking of the option holder with his intent to exercise options within 6 months of available for vesting (c) the current price of the underlying shares is fair value of common stock arrived using revenue multiple for publicly traded comparable companies (d) the expected volatility of the share price is arrived as narrow average of Volatility for 1 year, 3 year and 5 year period for publicly traded comparable companies (e) the dividends yield expected on the shares does not have impact on valuation of options as company is in growing stage and value of common stock is high. (f) the risk-free interest rate for the life of the option is sourced from Bloomberg
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	NA
Intention to sell Equity Shares arising out of the ESOP Plan within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP Plan amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil

13. Our Company has not made any rights issue of any kind or class of securities since its incorporation.

14. Except as disclosed below, none of the members of the Promoter Group, none of our Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of Equity Shares	Price per Equity Share (₹) unless otherwise stated	Aggregate Consideration (₹) unless otherwise stated	Percentage of the pre-Offer Capital
Dodla Subba Reddy	Dodla Sesha Reddy	March 31, 2018	228,119	NA	NA	0.41

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of Equity Shares	Price per Equity Share (₹) unless otherwise stated	Aggregate Consideration (₹) unless otherwise stated	Percentage of the pre-Offer Capital
Girija Reddy	Dodla Sesha Reddy	March 31, 2018	822,119	NA	NA	1.48
Dodla Sesha Reddy	Dodla Sunil Reddy	May 12, 2018	991,544	NA	NA	1.78
Dodla Sesha Reddy	Dodla Deepa Reddy	May 12, 2018	98,245	NA	NA	0.18
Dodla Sesha Reddy	Bommi Surekha Reddy	May 12, 2018	32,748	NA	NA	0.06
Dodla Sesha Reddy	Venkat Krishna Reddy Busireddy	May 12, 2018	39,953	NA	NA	0.07
Dodla Sunil Reddy	Dodla Family Trust	July 30, 2018	16,144,877	NA	NA	29.00

15. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is nine.

16. Neither our Company nor our Directors nor the BRLMs have entered into any buy-back and/ or standby arrangements for purchase of Equity Shares from any person.

17. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no pending paid up Equity Shares as on the date of the Draft Red Herring Prospectus.

18. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who are allotted Equity Shares.

19. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with the RoC and the date of filing of closure of the Offer be intimated to the Stock Exchanges within 24 hours of such transaction.

20. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearest multiple of minimum Allotment lot while finalising the Basis of Allotment.

21. There have been no financing arrangements whereby our Promoters, the members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

22. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public offer of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer; and (b) the issuance of Equity Shares to employees pursuant to the exercise of employee stock options under the ESOP Plan.

23. Except pursuant to the ESOP Plan, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

24. The Offer is being in made in terms of Rule 19(2)(b) of the SCRR. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs ("**QIB Portion**"), provided that our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB

Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, may participate in the Offer through the ASBA process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through ASBA process. For further details, see "*Offer Procedure*" on page 347.

25. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the Net QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

27. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

28. Except for the sale of the Equity Shares by the Individual Selling Shareholder in the Offer for Sale, our Promoters or the members of the Promoter Group will not submit Bids or participate in the Offer.

29. No person connected with the Offer, including, but not limited to, the BRLMs, our Company, the Selling Shareholders, the members of the Syndicate or the Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

30. Except for the Equity Shares allotted pursuant to the ESOP Plan, as of the date of this Draft Red Herring Prospectus, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

Except for the listing fees which shall be solely borne by the Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the offered shares sold by the Selling Shareholders in the Offer for Sale.

Objects of the Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue ("**Net Proceeds**") towards funding the following objects:

1. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company;
2. Purchase of equipments; and
3. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us to (i) undertake our existing business activities; (ii) undertake the activities proposed to be funded from the Net Proceeds, (iii) carry out activities towards which the loans proposed to be repaid or prepaid from the Net Proceeds were utilized; and (iv) undertake activities for which funds are earmarked for general corporate purposes.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarized in the following table:

Particulars	Estimated amount (in ₹ million)
Gross proceeds[(1)]	1,500
(Less) Fresh Issue expenses (only those apportioned to our Company)[(1)]	[●]
Net Proceeds of the Fresh Issue	**[●]**

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (in ₹ million)
Repayment/ pre-payment, in full or part, of certain borrowings availed by our Company	862.77
Purchase of equipments	267.77
General corporate purposes[(1)]	**[●]**
Total	**[●]**

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Proposed Schedule of Implementation and Utilisation of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. Further, as on the date of the Draft Red Herring Prospectus, our Company has not deployed any funds towards Objects of the Offer.

(in ₹ million)

Particulars	Estimated Utilisation from Net Proceeds[(1)]	Total Estimated Cost	Estimated schedule of deployment of Net Proceeds in	
			Fiscal 2019	Fiscal 2020
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company	862.77	862.77	862.77	-
Purchase of equipments	267.77	267.77	103.25	164.52

Particulars	Estimated Utilisation from Net Proceeds[(1)]	Total Estimated Cost	Estimated schedule of deployment of Net Proceeds in	
			Fiscal 2019	Fiscal 2020
General corporate purposes[(1)]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Offer; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions. The deployment of funds described herein has not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details, see "*Risk Factors*" on page 28.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, if the actual utilisation towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilised towards future growth opportunities, and/or towards funding any of the other existing objects (if required), and/or general corporate purposes, subject to applicable laws.

Means of finance

The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue as required under the SEBI ICDR Regulations.

Details of the Objects of the Offer

1. Repayment/ pre-payment of certain borrowings, in full or part, availed by our Company

Our Company has entered into various financial arrangements with banks, financial institutions and other entities. The loan facilities entered into by our Company includes borrowing in the form of term loans and working capital facilities. For further details, see "*Financial Indebtedness*" on page 319. As on June 30, 2018 the amount outstanding under the loan facilities availed by our Company was ₹909.02 million. Our Company proposes to utilise an estimated amount of ₹862.77 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides details of the borrowings availed by our Company, which are currently proposed to be fully or partially repaid or pre-paid from the Net Proceeds:

Sr. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter/Document	Purpose for which loan availed[(1)]	Amount Sanctioned[(1)]	Amount Outstanding as at June 30, 2018[(1)]	Repayment Date / Schedule	Pre-payment penalty
				(in ₹ million)			
1.	HDFC Bank	Term loan availed pursuant to a loan	Capital Expenditure	340.00	243.75	16 equal quarterly	2%

Sr. No.	Name of the Lender	Nature of Borrowing and date of the Sanction Letter/Document	Purpose for which loan availed[(1)]	Amount Sanctioned[(1)]	Amount Outstanding as at June 30, 2018[(1)]	Repayment Date / Schedule	Pre-payment penalty
				(in ₹ million)			
		facility agreement dated Loan agreement dated March 14, 2016 and sanction letters dated February 4, 2015 and February 4, 2016				instalments	
2.	HDFC Bank	Term loan availed pursuant to a loan agreement dated December 31, 2015 sanction letter dated December 2, 2015	Capital Expenditure	150.00	48.13	16 equal quarterly instalments	2%
3.	Hongkong Shanghai Banking Corporation	Working capital facility availed pursuant to an agreement for working capital loan dated June 12, 2017 and sanction letters dated May 10, 2017	Our Company availed this loan to meet its working capital requirements	250.00	163.47	Repayable on demand	Based on the bank's discretion
4.	Hongkong Shanghai Banking Corporation	Working capital facility availed pursuant to an agreement for working capital loan dated March 24, 2016 and sanction letters dated January 27, 2016, August 23, 2016 and May 10, 2017	Our Company availed this loan to meet its working capital requirements	200.00	0.95	Repayable on demand	Based on the bank's discretion
5.	ICICI Bank Limited	Working capital facility availed pursuant to a loan agreement dated February 24, 2012 sanction letters dated March 21, 2013, July 21, 2014, September 24, 2015, January 27, 2017 and June 20, 2018	Our Company availed this loan to meet its working capital requirements	225.00	150.00	As agreed upon between the bank and our Company	0.25%
6.	Kotak Mahindra Bank	Working capital facility availed pursuant to a master facility agreement dated August 12, 2016 sanction letters dated March 24, 2016, April 20, 2016, July 1, 2016 and June 12, 2017	Our Company availed this loan to meet its working capital requirements	300.00	300.00	Repayable on demand	Nil
7.	ICICI Bank Limited	Sanction letter dated July 28, 2016	Our Company availed this loan to meet its working capital requirements	250.00	2.73	Repayable on demand	Nil
Total Amount Outstanding as on June 30, 2018					**909.02**		

(1) *As certified by M/s A Ramachandra Rao & Co, Chartered Accountants (Firm Registration Number: 002857S) pursuant to certificate dated August 8, 2018. Further, M/s A Ramachandra Rao & Co, Chartered Accountants, have confirmed that these borrowings have been utilised for the purposes for which they*

were availed, as provided in the relevant borrowing documents. M/s A Ramachandra Rao & Co, Chartered Accountants, have further confirmed that none of the borrowings that are intended to be repaid out of the Net Proceeds of the Fresh Issue have been utilised for any payments to or repayment/refinancing of any loans availed from the Promoter Group

Our Company may consider the following factors for identifying the loans that will be repaid or pre-paid out of the Net Proceeds:

(i) Costs, expenses and charges relating to the facility including interest rates involved;

(ii) Presence of onerous terms and conditions under the facility;

(iii) Ease of operation of the facility;

(iv) Levy of any prepayment penalties and the quantum thereof;

(v) Provisions of any law, rules, regulations governing such borrowings;

(vi) Terms of pre-payment to lenders, if any;

(vii) Mix of credit facilities provided by lenders; and

(viii) Other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan, receipt of consents for prepayment from the banks and terms and conditions of such consents and waivers.

In the ordinary course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. Some of our financing agreements provide for the levy of prepayment penalties. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. Some of these existing loans may be replaced by new/additional loans but the estimated amounts proposed to be utilized from Net Proceeds for full or partial repayment/pre-payment shall remain unchanged. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of our internal accruals.

2. Purchase of equipments

We plan to expand our manufacturing infrastructure by purchasing new equipments for certain of our processing plants.

Our Company estimates to incur capital expenditure for the purchase of such equipment of approximately ₹267.77 million, entirely in Fiscal 2019 and Fiscal 2020. The break-down of such estimated costs are set forth below:

(in ₹ million)

Particulars	**Total estimated costs and amount to be funded from the Net Proceeds**
Purchase of equipment for milk processing and automation for our Nellore processing plant	148.00
Purchase of ammonia refrigeration system for our Indragi processing plant	21.06
Purchase of candy line machine, chocolate feeding system and inkjet printer for our Hyderabad processing plant	25.50
Purchase of aquaclave sterilizer for bottles for our Indragi processing plant	6.13
Purchase of machine for automatic flavoured milk filling, sealing, capping and labelling for our Indragi processing plant	10.40
Purchase of double head pouch filling machine for packing milk using LDPE film for our Indragi processing plant	5.20
Purchase of equipment for curd processing and automation for our Indragi processing plant	44.00
Purchase of tetra pak continuous freezer for our Hyderabad processing plant	3.96
Purchase of fully automatic linear ice cream cup/cone filling machine with change part and exit conveyor for our Hyderabad processing plant	3.53
Total	**267.77**

A. Equipment for milk processing and automation

Currently our Nellore processing plant is operated manually and we intend to make it automated. The targeted areas of automation includes milk reception, processing and packing sections. We propose to purchase equipment such as stainless steel (SS 304) pumps, automatic valves, necessary piping and electricals with programmable logic controller systems ("**PLC**") for our operations. Additionally, we also intend to purchase equipment for the cream processing section by purchasing tanks and chillers for our cream, pasteurizer, butter milk and lassi sections. Further, we also propose to provide complete automation and software towards a cleaning system to ensure proper cleaning and sanitation of the entire processing plant.

B. Ammonia refrigeration system

Ammonia refrigeration system is employed in a dairy processing plant to preserve the freshness of milk and milk products at various stages of processing and storage by extracting the heat. We propose to augment our refrigeration capacities at our Indragi processing plant by providing additional refrigeration compressors, ammonia pressure vessels, air cooling units for milk cold store facility, chilled water storage, piping and insulation and electricals equipment and accessories.

C. Equipments for candy line chocolate feeding system and inkjet printer

Currently our processing plant at Hyderabad produces ice candies and ice cream bars manually. We intend to purchase an automated candy line consisting of ice cream dosing device, chocolate feeding system, rotary extractor, stick dispenser, wrapping machine, refrigeration system, brine tank, electrical control panel with PLC.

D. Aquaclave sterilizer, carriage and trolleys for bottles

An aquaclave sterilizer is used for sterilization of flavoured milk in plastic bottles in place of direct stream heating in conventional steriliser. It consists of a water recirculation system that is used for heating, cooling and showering the processed water on the load to be sterilized, temperature sensors, pressure sensors and a PLC system. This equipment also comes with carriages and trolleys that assist in handling of the bottles.

E. Equipment for for automatic flavoured milk filling, sealing, capping and labelling

These equipments are for filling in flavoured milk in bottles by using six automatic heads filling machine with online automatic operations. This equipment also performs sealing functions through which the bottles are sealed. Additionally, this equipment also checks the bottles for leakage where the defective bottles are segregated and the bottles meeting the prescribed standards are used. The equipment also performs capping, sleeving and labelling functions.

F. Double head pouch filling machine for packing milk using LDPE film

This equipment is a form, fill and seal packing equipment with LDPE poly film (Low Density Poly Ethylene). This is used for packing of milk and curd. This equipment has fill quantity options of 200 ml, 500 ml and 1000 ml. The equipment consists of a double headed filing station which in turn comes equipped with, *inter alia*, a PLC controller, a solid state thyristorized heat control system and pneumatic filling system for filing curd/milk.

G. Equipment for curd processing and automation

The equipment, *inter alia*, consists of an enhanced pasteurizer, auto valve cluster, PLC systems and pumps to be used for curd processing. This is connected using MCC panels, power cables, control cables and cable trays. Additionally, it also *inter alia* consists of control panels, SCADA System and electrical systems for automation of curd processing at our Indragi processing plant.

H. Tetra pak continuous freezer

A continuous freezer is required exclusively for our stick ice cream line. This consists of a built in refrigeration system (Freon), a PLC system that performs functions such as starting and stopping any overruns and automatic defrosting and includes touch panels. Additionally, all parts of this equipment are manufactured from stainless steel materials.

I. Fully automatic linear ice cream cup/cone filling machine with change part and exit conveyor

Currently, we have one fully automatic linear ice cream cup/cone filling machine which is used for both cup and cone ice creams. We require another machine to exclusively cater to our cone ice creams. This fully automatic equipment has cone dispenser, cup dispenser, cup/cone sensor for choco spraying and filling, ice cream filling unit, nut topping station, lid placer unit and vertical ejector for ejecting the finished products with conveyor belts. We can pack in this machine 6,000 cups or cones per hour.

The total estimated costs for the above equipment does not include ancillary charges which, *inter alia*, include GST, loading and unloading charges, freight charges, installation and commissioning charges and engineering charges which will be funded from our internal accruals.

For the purposes of purchasing above equipments, we have received quotations from various vendors, which are valid as on the date of the Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased is based on the estimates of our management.

Our Promoters or Directors have no interest in the proposed procurements, as stated above.

3. General corporate purposes

The Net Proceeds will first be utilized for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds, aggregating to ₹[●] million, towards general corporate purposes and the business requirements of our Company and the Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; and (v) any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by the Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the Book Running Lead Managers, fees payable to legal counsels, fees payable to the Registrar to the Offer, Escrow Collection Bank to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Except for listing fees which shall be solely borne by our Company, all Offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale. However, in the event that the Offer is withdrawn by our Company or not completed for any reason whatsoever, all the Offer related expenses will be solely borne by our Company. The break up for the estimated Offer expenses is as follows:

Activity	Estimates expenses[(1)] (in ₹ million)	As a % of total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and Bankers to the Offer[(2)]	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs[(3)(4)]	[●]	[●]	[●]
Registrar to the Offer	[●]	[●]	[●]
Other advisors to the Offer	[●]	[●]	[●]
Others	[●]	[●]	[●]
- listing fees, SEBI filing fees, bookbuilding software fees	[●]	[●]	[●]

Activity	Estimates expenses[(1)] (in ₹ million)	As a % of total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
- printing and stationery	[●]	[●]	[●]
- fee payable to legal counsels	[●]	[●]	[●]
- advertising and marketing	[●]	[●]	[●]
- miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalised on determination of Offer Price.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE

(3) No processing fees shall be payable by our Company and the Selling Shareholder to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for Retail Individual Bidders**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

(4) Selling commission on the portion for Retail Individual Bidders, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]%of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus GST, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and Bidding Charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Interim use of Net Proceeds

Pending utilisation for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board or IPO Committee. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company will appoint a monitoring agency prior to the filing of Red Herring Prospectus with the RoC in accordance with Regulation 16 of SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**General Meeting Notice**") shall specify, provide Shareholders with the facility to vote by electronic means, the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Telugu, being the local language of the jurisdiction where the Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our AoA and Companies Act, 2013, as prescribed under the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by us as consideration to our Promoters and Promoter Group, the Directors, Key Management Personnel, except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/agreements with our Promoters, Promoter Group, Directors and Key Management Personnel in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price. Investors should also refer to "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 136, 14 and 184, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Consumer focused dairy company with a diverse range of products under the "Dodla Dairy" brand;
- Integrated business model with well-defined procurement, processing and distribution capabilities;
- Focused engagement and long term relationship with dairy farmers;
- Stringent quality control procedures;
- Financial Growth and operational efficiencies; and
- Experienced Board and senior management team

For further details, see "*Our Business - Competitive Strengths*" on page 137.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Financial Information. For details, see "*Financial Statements*" on page 184.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

Proforma Basic EPS and Diluted EPS taken from the Statement of Accounting Ratios of the Restated Standalone Financial Statements of our Company:

Fiscal	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
2016	9.21	1	9.21	1
2017	8.28	2	8.28	2
2018	9.14	3	9.14	3
Weighted Average	**8.87**		**8.87**	

Proforma Basic EPS and Diluted EPS taken from the Statement of Accounting Ratios of the Restated Consolidated Financial Statements of our Company:

Fiscal	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
2016	9.49	1	9.49	1
2017	8.36	2	8.36	2
2018	9.76	3	9.76	3
Weighted Average	**9.25**		**9.25**	

Note:

1. *The EPS calculations have been done in accordance with Ind AS 33 issued by ICAI, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Ind AS 33, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported.*
2. *The figures disclosed above are based on the restated summary statements of our Company*
3. *The above statement should be read with significant accounting policies and notes on restated summary statements as appearing in the "Financial Statements"on page 193.*
4. *The face value of each Equity Share is ₹10.*
5. *The ratios have been computed as below:*
   a. *Basic EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year/ period*
   b. *Diluted EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders/ Weighted average number of dilutive equity shares outstanding during the year/ period*
6. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific*

shares are outstanding as a proportion of the total number of days during the fiscal

7. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights]

2. Price/ Earning ("P/ E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share

Particulars	P/E at the lower end of Price band (no. of times)	P/E at the higher end of Price band (no. of times)
Based on basic EPS for the year ended March 31, 2018 on a standalone basis	[●]	[●]
Based on basic EPS for the year ended March 31, 2018 on a consolidated basis	[●]	[●]
Based on diluted EPS for the year ended March 31, 2018 on a standalone basis	[●]	[●]
Based on diluted EPS for the year ended March 31, 2018 on a consolidated basis	[●]	[●]

(a) Industry P/ E ratio

Particulars	P/ E
Highest	111.2
Lowest	30.7
Average	54.6

Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/ E of the industry peer set disclosed in this section.

3. Return on Net Worth ("RoNW")

As per Restated Standalone Financial Statements of our Company:

Fiscal	RoNW (%)	Weight
2016	20.96%	1
2017	15.88%	2
2018	14.84%	3
Weighted Average	**16.21%**	

As per Restated Consolidated Financial Statements of our Company:

Fiscal	RoNW (%)	Weight
2016	21.91%	1
2017	16.38%	2
2018	15.99%	3
Weighted Average	**17.11%**	

Note:

4. RoNW = Net profit after tax, as restated for the year/ period, attributable to equity shareholders/ Net worth (excluding revaluation reserve), as restated, at the end of the year/ period

** Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*

5. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2018

Particulars	At Floor Price	At Cap Price
To maintain pre-Offer basic EPS (after adjusting bonus shares)		
On Standalone basis	[●]%	[●]%
On consolidated basis	[●]%	[●]%
To maintain pre-Offer diluted EPS (after adjusting bonus shares)		
On Standalone basis	[●]%	[●]%
On consolidated basis	[●]%	[●]%

6. Net Asset Value ("NAV") per Equity Share

(a) Net asset value per Equity Share as per Restated Standalone Financial Information of our Company as on March 31, 2018 was ₹ 1,046.90.

(b) Net asset value per Equity Share as per Restated Consolidated Financial Information of our Company as on

March 31, 2018 was ₹1,037.49.

(c) Offer Price: ₹[●]

(d) After the Offer on a standalone basis

At the Floor Price: ₹[●]

At the Cap Price: ₹[●]

(e) After the Offer on a consolidated basis

At the Floor Price: ₹[●]

At the Cap Price: ₹[●]

Note:

(1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

*(2) NAV = Net Asset Value, as restated, at the end of the period/ year/ Number of equity shares outstanding at the end of the year/ period**
** Does not include Equity Shares issued pursuant to bonus issue dated July 13, 2018 by the Company.*

(3) Net worth has been computed by aggregating paid up share capital and reserves and surplus (securities premium, general reserve and surplus in the Statement of Profits and Losses) as per the restated financial information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).

(4) Net worth for ratios mentioned represents sum of paid-up share capital, reserves and surplus (securities premium, capital reserve and surplus in the Statement of Profits and Losses as per the Restated Financial Information.

7. Comparison with Listed Industry Peers

Name of the company	Face value per equity share (₹)	P/ E	Net Profit (in ₹ million)	EPS (Basic) (₹)	Average Net worth (in ₹ million)	Return on net worth (%)	Net Asset Value/ Share (₹)	Closing Share Price (as on August 6, 2018) (₹)
Hatsun Agro Products	1	111.2	908	6.0	3,655	24.9%	24.0	662.7
Heritage Foods	5	45.0	627	13.5	6,402	9.8%	138.0	608.2
Parag Milk Foods	10	30.7	871	10.4	7,167	12.1%	85.2	318.2
Prabhat Dairy	10	31.7	473	4.9	7,309	6.5%	74.8	153.7

Source: BSE

Note:

1. Based on consolidated financials for the Fiscal 2018
2. Based on closing market price as on August 6, 2018 available on www.bseindia.com
3. Net Profit includes Profit after taxes and exceptional items
4. P/ E ratio is calculated as closing share price (August 6, 2018, 2018, BSE) / EPS
5. EPS is as per Net Profit / No. of Equity Shares Outstanding
6. Net worth includes average of Equity Share capital and reserves & surplus as on March 31, 2018
7. Return on Net Worth is calculated as Net Profit (as defined above)/ Closing Net Worth (as defined above)
8. NAV per share is calculated as Net Worth/ Equity Shares outstanding (both as on March 31, 2018)

8. The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholders in consultation with BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with *"Our Business"*, "*Risk Factors*" and "*Financial Statements*" on pages 136, 14 and 184, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

To,
The Board of Directors
Dodla Dairy Limited
8-2-293/82/A/270-Q,
Road No 10-C, Jubilee hills,
Hyderabad – 500033

Dear Sirs,

Subject: Statement of possible special tax benefits (the "Statement") available to Dodla Dairy Limited (the "Company") and its shareholders prepared in accordance with the requirement in SCHEDULE VIII - CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations")

This report is issued in accordance with the terms of our engagement letter dated 04 May 2018.

We hereby report that the enclosed Annexure prepared by the Company, states the possible special tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961 ("the Act") read with Income-tax Rules, 1962 (together "tax laws") presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure only cover the possible special tax benefits available to the Company and its shareholders, the benefits are not exhaustive and do not cover any general tax benefits available to the Company and to its shareholders. Further, the preparation of the enclosed Statement and its contents is the responsibility of the management of the Company. We were informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares by certain shareholders (the "proposed offer") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investor to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" ("Guidance Note") issued by Institute of Chartered Accountants of India ("ICAI"). The Guidance note requires that we comply with ethical requirements of the Code of Ethics issued by ICAI.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- The conditions prescribed for availing the possible special tax benefits, where applicable have been/ would be met with.

The contents of the enclosed Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus in connection with the Proposed Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Vikash Somani
Partner
Membership number: 061272

Place: Hyderabad
Date: 20 July 2018

Annexure to the Statement of Possible Special Tax Benefits available to the Company and its shareholders under the applicable Tax Laws in India

Outlined below are the possible special tax benefits available to the Company and its shareholders under the direct tax laws in force in India (i.e. applicable for the financial year 2018-19 relevant to the assessment year 2019-20). These possible special tax benefits are dependent of the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

Under the Income Tax Act, 1961 ("the Act")

I. Special tax benefits available to the Company

The following special tax benefits are available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws:

i. In accordance with and subject to the fulfillment of conditions as laid out in Section 32AD the Act, the Company will be entitled to claim a deduction of a sum equal to fifteen per cent of the actual cost of assets acquired and installed during the year if:

- The Company sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal; and
- Acquires and installs any new asset for the purposes of the said undertaking or enterprise during the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area.

ii. In accordance with and subject to satisfaction of conditions as laid out in Section 32(iia) of the Act, the company will be entitled for further deduction by way of additional depreciation under Section 32(iia) of the Act @ 20% and 35% (where the undertaking or enterprise is set up in backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal) on new plant and machinery acquired and installed after 31st March 2015.

iii. In accordance with and subject to fulfillment of conditions as laid out in Section 80IB(11A) of the Act, the Company will be entitled to claim deduction under Section 80IB(11A) of the Act, with respect to the undertakings deriving profit from the business of processing, preservation and packaging of dairy products. The amount of deduction available is 100% of the profits and gains derived from such undertaking, for first five years and 30% of the profits and gains for next five years, in such a manner that total period of deduction does not exceed ten consecutive years.

iv. In accordance with and subject to fulfillment of conditions as laid out in Section 80JJAA of the Act, be allowed a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

v. In accordance with and subject to fulfilment of conditions under Section 35D of the Act, the Company will be entitled to amortize preliminary expenditure, being expenditure incurred in connection with the issue for public subscription, under section 35D of the Act, subject to the limit specified in section 35D(3) of the Act. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed or the new unit commences production or operation.

II. Special tax benefits available to its shareholders of the Company

There are no special tax benefits available to the shareholders of the Company under the Act.

Note:

1 The above is as per the current tax law as amended by the Finance Act, 2018.

2 The above Statement of possible special tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.

3 The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.

4 This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.

In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal dom

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from "Assessment of the Indian dairy industry" dated August 3, 2018 prepared and issued by CRISIL Limited (the "CRISIL Report") on our request. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless noted otherwise, the information in this section is obtained or extracted from CRISIL Report on our request.

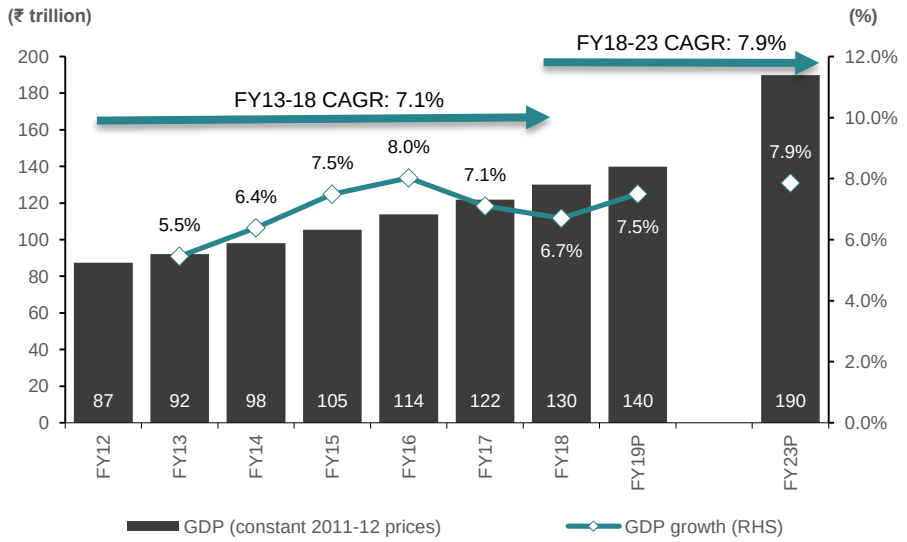
Overview of the Macroeconomic Scenario in India

Review and outlook of India's GDP growth

GDP to grow at a faster pace over the next five years

Consumption and investment constitute the growth engine of an economy. In recent years, India's growth has been firing on the consumption cylinder, and has been muted on the investment front. Gross domestic product (GDP) at constant FY12 prices expanded at 7.1% compound annual growth rate (CAGR) between FY13 and FY18. It grew at a slower pace between FY12 and FY14 because of sluggish income growth, persistently rising inflation, and high interest rates. Industrial output, too, weakened. Post FY14, growth recovered with improving industrial activity, lower crude oil prices, and supportive policies. However, that was clipped in FY17, owing to demonetisation, dwindling private investment, and slowing global growth.

Real GDP growth in India (new GDP series)



Note: P-Projected

Source: CSO (Central Statistical Organisation), CRISIL Research, IMF

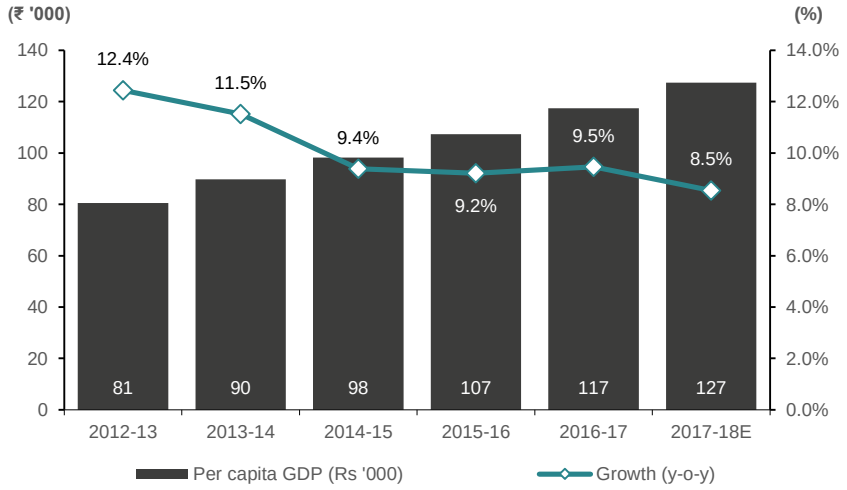
The Goods and Services Tax (GST) rollout in early FY18 left its imprint on GDP figures, especially in the first half. CRISIL Research expects real GDP growth to rebound to 7.5% in FY19 from 6.7% (as per the Central Statistics Office) in FY18 as the transitory disruption from GST implementation wanes and a low base provides an added fillip. Growth would continue to be consumption-driven, with interest rates expected to remain soft, inflation under control, and implementation of the Seventh Pay Commission hikes at the state level. Investments, fired largely by public sector investment in infrastructure, too, would start lending growth a helping hand. Growth is also expected to be mildly supported by public spending (with a rural focus) in infrastructure, especially roads.

On the external front, too, synchronised global recovery is expected to gather pace, which should help Indian exports that were impacted, to some extent, on account of GST-related glitches. However, geopolitical risks and uncertainties surrounding the pace of normalisation of the monetary policy in advanced nations would limit the contribution of exports to domestic economic growth.

In the medium term, we expect the pace of economic growth to pick up. This is because structural reforms such as GST and the Bankruptcy Code, aimed at de-clogging the economy and raising the trend rate of growth, would begin to take effect. Assuming monetary and fiscal policies remain prudent, the reforms would lead to efficiency gains and improve the prospects for sustainable high growth in the years to come. The improving macroeconomic environment (softer interest rate and stable inflation), urbanisation, rising middle class, and business-friendly government reforms are expected to drive growth in the long term. As per the International Monetary Fund (IMF), the Indian economy is projected to grow at 7.9% CAGR over FY18-23. India's growth will be higher than many emerging as well as developing economies such as Brazil, Russia, and China.

The per capita GDP for India over the next five years (calendar years 2018-23) is expected to clock 8.9% CAGR compared with 9.7% CAGR during the previous five years (2013-18).

Nominal per capita GDP growth

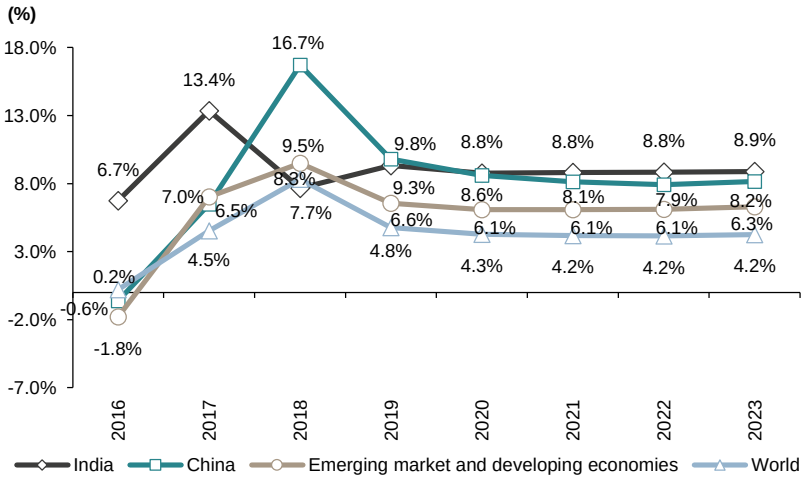


Source: Second advance estimates of national income 2017-18, CSO, CRISIL Research

India's GDP growth to outperform Asian and global peers

According to data from the International Monetary Fund (IMF), India is expected to grow at a significantly faster rate than other emerging and developing economies.

Growth projection of GDP per capita for different countries/country sets (current price basis)

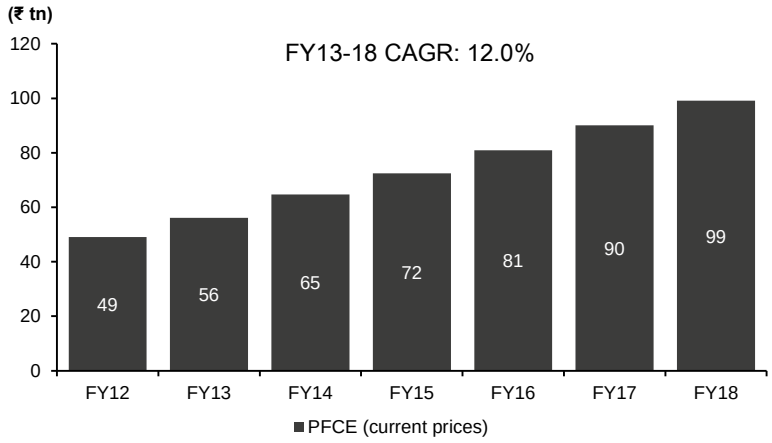


Source: IMF; Note: Calculated on US dollars per capita

Review of total private final consumption expenditure (PFCE) in India

PFCE (at current prices) in the domestic market increased at 12.0% CAGR from ₹56 trillion to ₹99 trillion over FY13-18. In FY18, consumption was impacted by several factors. For instance, auto demand was affected in the beginning of the fiscal by the transition to Bharat Stage-IV emission norms. Following this, the implementation of GST and the consequent de-stocking disrupted the supply chain as well as demand in consumer sectors such as fast moving consumer goods, auto and consumer durables. Real growth in PFCE slowed during the middle of FY18 despite the pick-up in the farm sector and manufacturing. Demand from urban India has been stronger than from rural. However, most companies expect rural demand to pick up in 2018.

Total PFCE in India



Note: FY16 – 2nd revised estimates; FY17 – 1st revised estimates; FY18 – provisional estimates

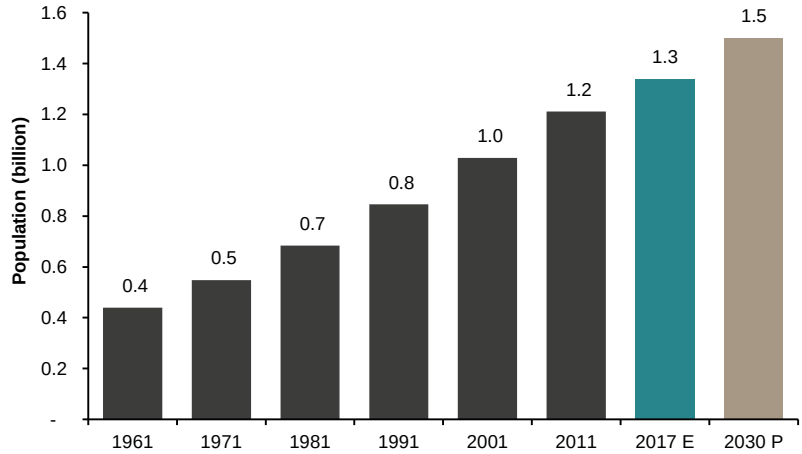
Source: Ministry of Statistics and Programme Implementation

Review of population growth and urbanisation

Urbanisation likely to cross 35% by 2020

As per Census 2011, India's population was 1.2 billion and comprised nearly 246 million households. Population grew at 1.8% CAGR from 2001 to 2011. According to the results of 'The 2017 Revision of the World Population Prospects' by the United Nations, India (second to China) and China remain the two most populous countries. The report further projects India's population to grow at 1.2% CAGR to 1.5 billion by 2030, to become the world's most populous country, surpassing China (1.4 billion in 2030).

India's population growth

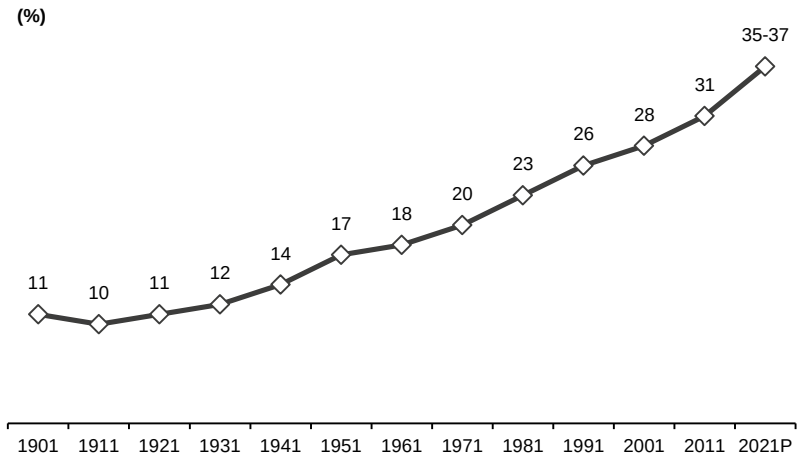


P: Projected
Note: Figures stated above are in calendar year

1. *Source: World Population Prospects: The 2017 Revision, United Nations, CRISIL Research*

The share of the urban population in relation to the total population has been consistently rising over the years and stood at ~31% in 2011. People from rural areas move to cities for better job opportunities, education, a better life, etc. The entire family or only a few people (generally earning member or students) may migrate, while a part of the family continues to hold on to the native house. A United Nations report, World Urbanization Prospects: The 2011 Revision, expects nearly 37% of the country's population to live in urban areas by 2025.

Urban population as a percentage of total population



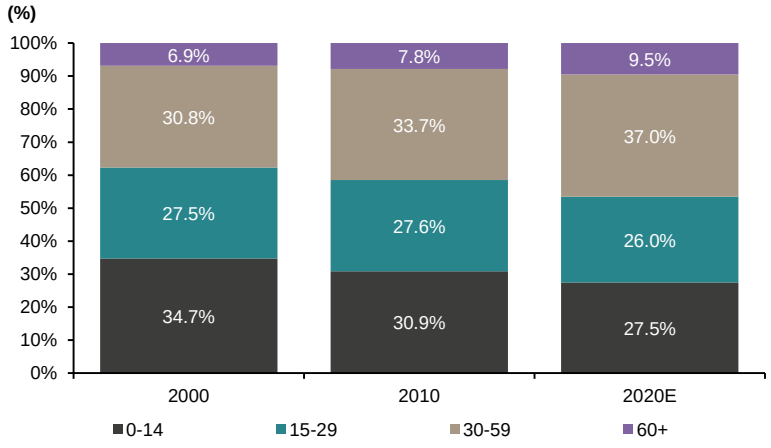
P: Projected

Source: Census 2011, World Urbanisation Prospects: The 2011 Revision (UN), CRISIL Research

One of the highest young population

With a median age of ~28 years, India has the maximum number of young people in the world. For instance, ~90% of Indians will still be below the age of 60 by 2020 compared with ~92% in 2010. The age group of 0-40 years is estimated to continue to account for ~70% of the total Indian population by 2025. The working population (age group 15-59 years) in India is expected to increase to ~63% of the total population by 2020 compared with ~61% in 2010.

India's **demographic dividend**



Note: Percentages above refer to the share of different age groups in India's population.

Source: United Nations Department of Economic and Social affairs, CRISIL Research

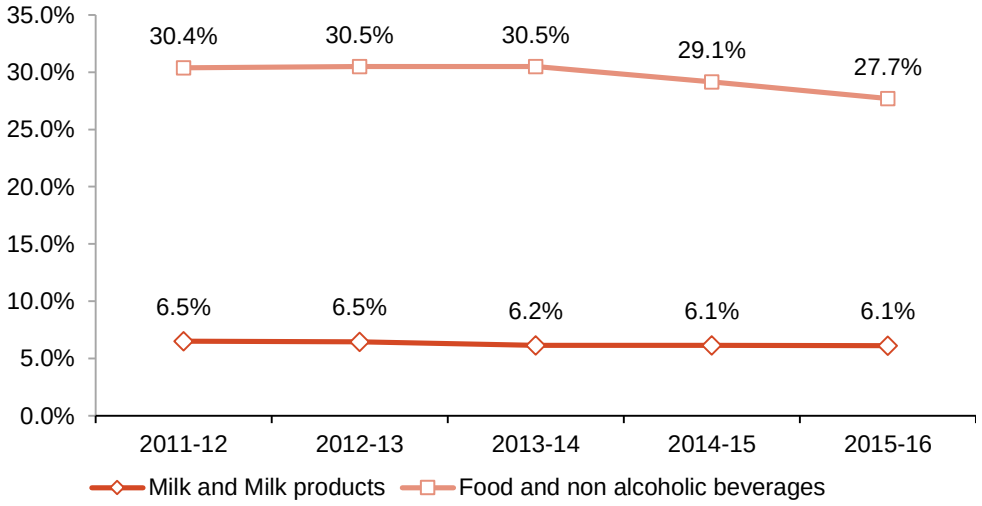
Dietary pattern of households in India

Dairy spend is more than 1/5th of the total spend on food

Consumption of milk and dairy products is a dominant part of Indian consumers' diet. As per the National Account Statistics 2017 report, dairy products comprise nearly 22% of total spend by households on food and non-alcoholic beverages. Overall, dairy products accounted for 6.1-6.5% of the total PFCE between FY12 and FY16 (at constant prices).

Various rounds of NSSO's surveys on expenditure pattern of Indian households have shown that recently, the food consumption pattern in India has undergone a change in favour of high-value and more nutritious food items such as milk and milk products, MFE, fruits and vegetables, and away from staple and starch centric cereals. This shift has been accompanied by falling share of food expenditure in total expenditure as with rise in income levels, the proportion of expenditure on food falls. In absolute terms, the expenditure on food as well as dairy has been increasing.

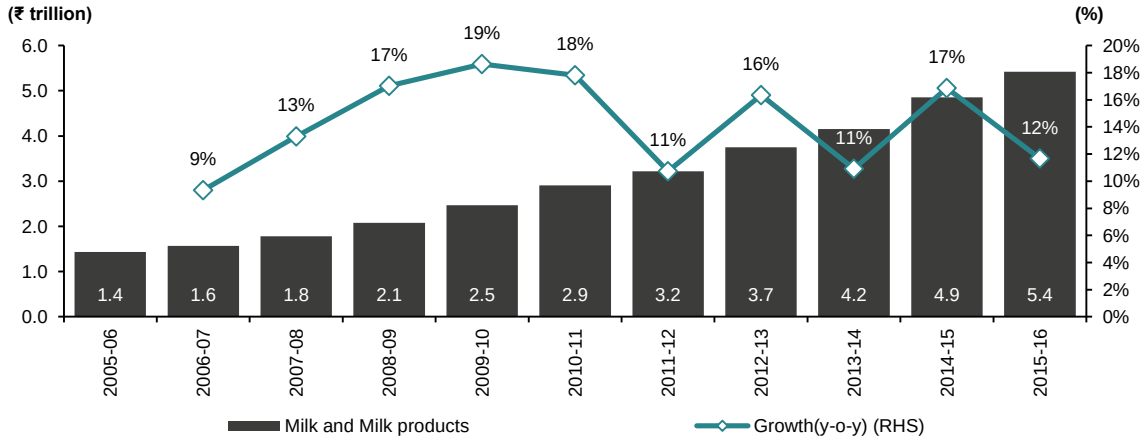
% of total PFCE spend on milk & dairy products and food & non-alcoholic beverages



Source: 72nd NSSO Survey Report, CRISIL Research

Spend on milk and dairy products increased at a CAGR of 14.4% over FY06-16. During FY06-12, the average annual growth of 14.5% in spending on milk and dairy products was accompanied by 11.6% inflation rate, on average, of milk, resulting in ~3% growth in demand for milk and dairy products during the period. However, the trend has changed significantly since then. During FY12-16, the average annual growth of 14.0% in spending on milk and dairy products was accompanied by average inflation of only 6.6% for milk, resulting in 7.4% growth in demand for milk and dairy products during the period – indicating higher growth in demand in recent years.

Increase in spending on milk and milk products

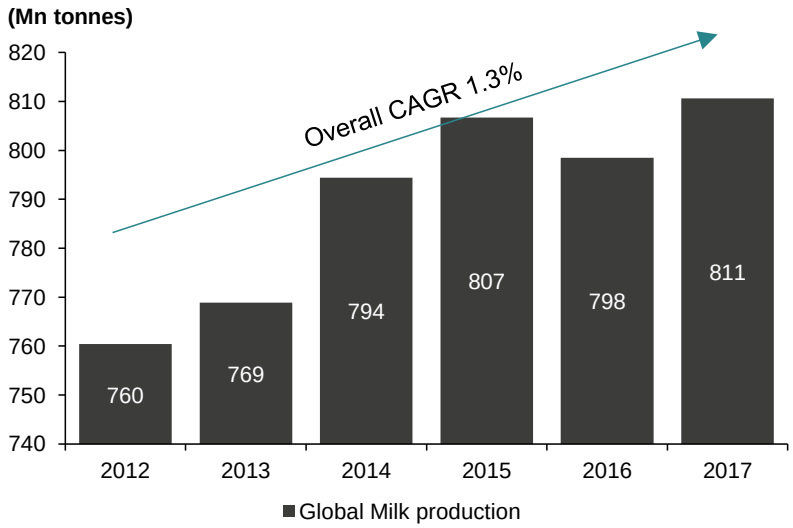


Source: National Account Statistics 2013 & 2017, CRISIL Research

Overview of the global dairy industry

Global milk output reached ~811 million tonnes in 2017 against ~798 million tonnes in 2016. Global milk production increased at an estimated CAGR of 1.3% between 2012 and 2017. India, along with the European Union, accounts for approximately 40% of overall milk production in the world. In 2016, the global milk production declined ~1.1% on-year. Consolidation and relocation of dairy farms coupled with stricter environmental regulations and quality control in China, low prices and higher costs in Argentina, and adverse weather conditions in many countries in Europe and Asia-Pacific regions led to the decline in global milk production in 2016.

Trend in global milk production

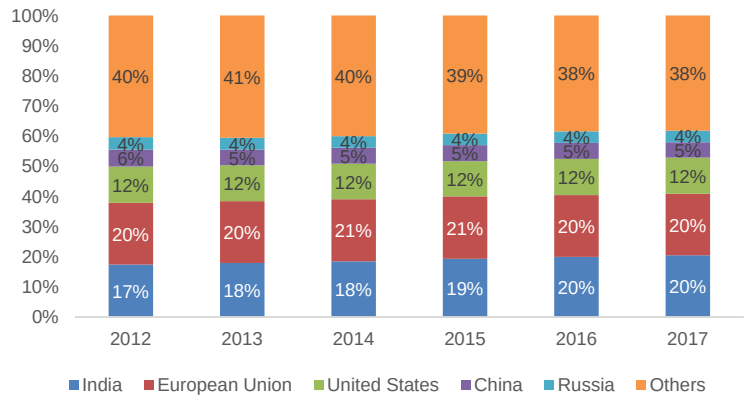


Source: FAOSTAT, CRISIL Research

India is the largest milk producer in the world

India is the global leader in milk production with annual production of ~165 million tonnes, contributing 20% of milk production in 2017. Top six milk-producing countries, viz., India, USA, China, Pakistan, Brazil and Germany, together contributed more than 50% of the world's milk production. India's share in overall production increased to 20% in 2017 from 14% in 2000.

India has a dominant share in world's total milk production…



… and its milk production grew at a faster CAGR than other major milk producing economies

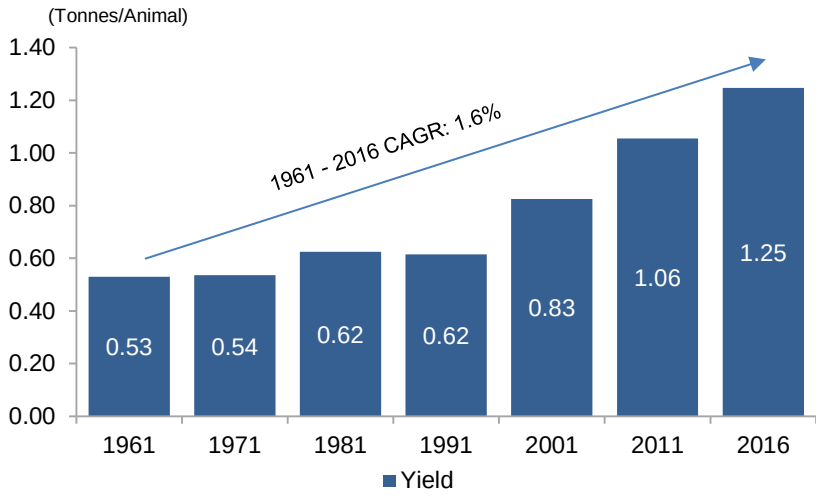
Country/region	CAGR 2012-17
India	4.5%
EU	1.2%
US	1.4%
China	-0.5%
Russia	-0.5%
Others	0.2%
World	1.3%

Source: FAOSTAT, CRISIL Research

Milk production up owing to rising yields and growing size of milch animals

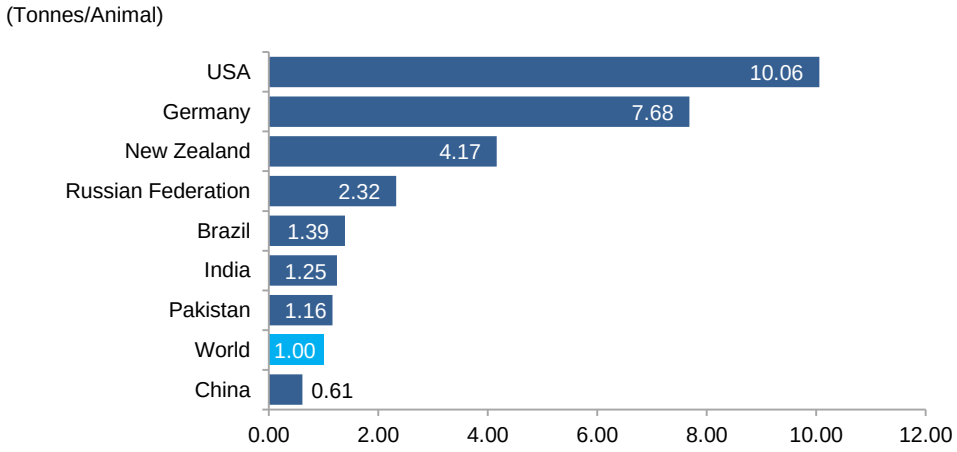
Milk yield in India increased from 0.53 tonnes/animal/year in 1961 to 1.25 tonnes/animal/year in 2016 at 1.6% CAGR. Milk yield across the world increased at 0.2% CAGR over the same period. The rise in milk yield has been more prominent since 1991, at 2.9% CAGR. Milk yield in India is slightly higher than the global average.

Rise in milk yield in India



Source: FAOSTAT, CRISIL Research

Milk yield in India is higher than the global average, but lower than many economies

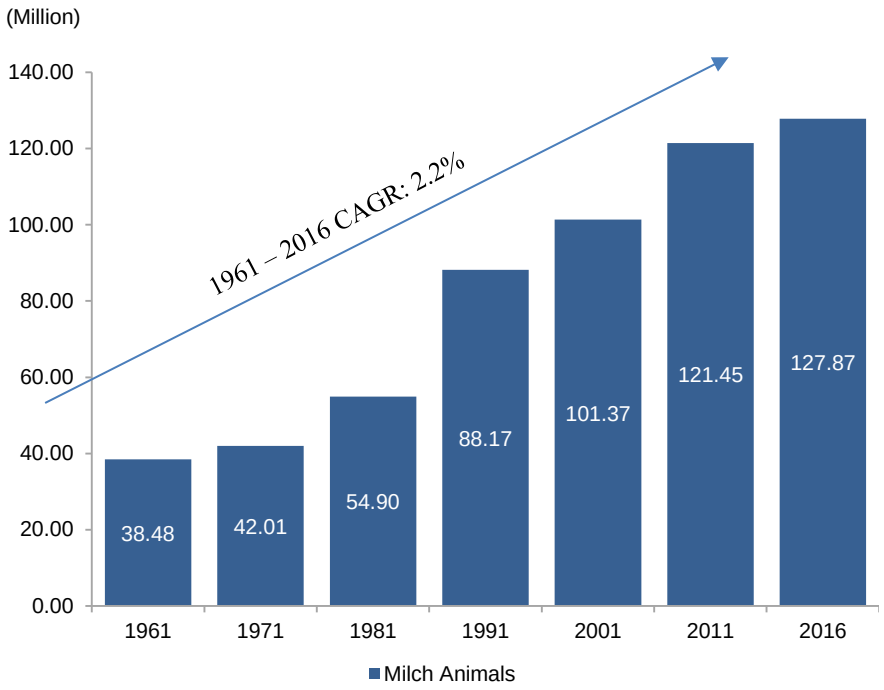


Source: FAOSTAT, CRISIL Research

Note: Comparison of milk yields (tonnes per animal per annum) across world's top milk producers

The number of milch animals in the country increased at a CAGR of 2.2% from 1961 to 2016, resulting in rising milk production in the country compared with growth across the world.

Rising number of milch animals in India



Source: FAOSTAT, CRISIL Research

India's share in global milk trade is low

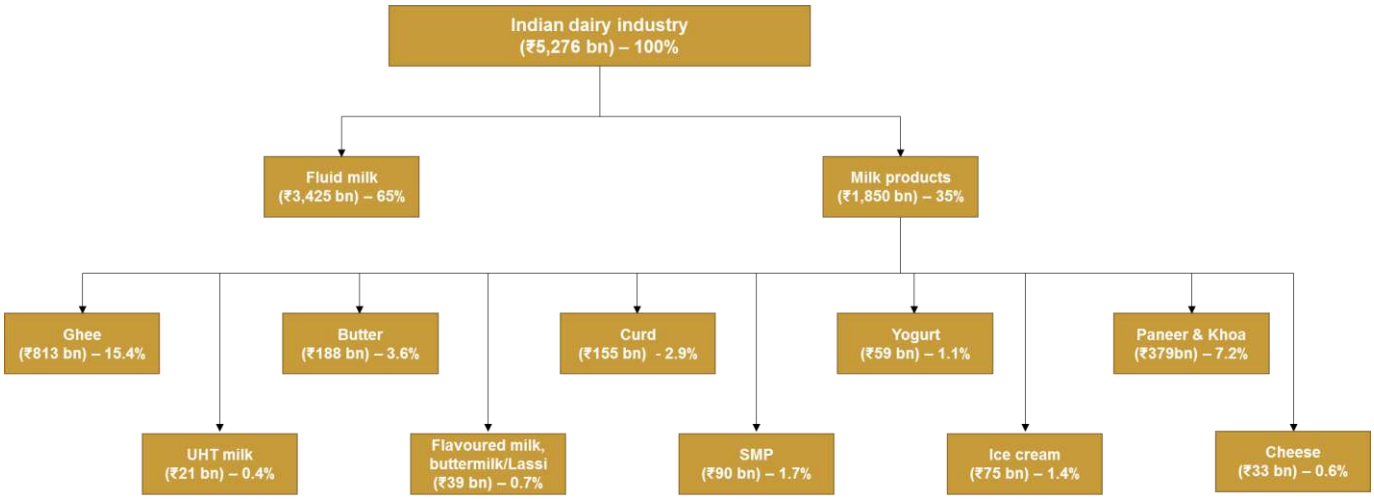
Despite being the largest milk producer globally, India does not account for a meaningful share of global milk trade predominantly owing to high domestic demand. India's share in global milk trade has been traditionally low because of:

- Limited quantity available for exports after accounting for domestic demand.
- Control on trade of high-volume products, such as milk powder, by the government.
- Imports limited to premium varieties of some branded butter and cheese, mainly owing to self-sufficiency in other products.

Overview of the Indian dairy industry

The overall dairy industry (which includes both organised and unorganised segments) in India broadly consists of processed milk (liquid/fluid milk) and other dairy products such as curd, ghee, skim milk powder (SMP), cheese, and ice cream. Of these, the fluid milk segment is the largest (~65%) and is expected to grow consistently. The milk products segment, currently accounting for ~35% of the industry, has been growing at a much faster pace than the overall dairy industry.

Overall dairy industry in India – FY18



Source: CRISIL Research

The industry involves production, procurement, storage, processing and distribution of dairy products. Milk is processed into fluid milk, curd, ghee, butter, cheese, yogurt, condensed milk, skim milk powder, ice cream, etc. via various processes such as chilling, pasteurisation and homogenisation.

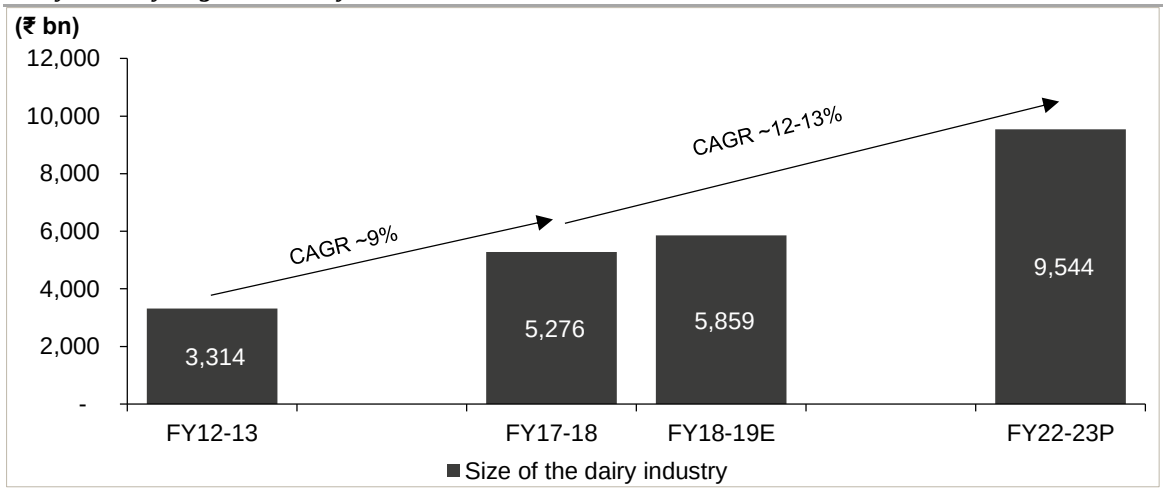
The Indian dairy industry worth ₹5.3 trillion as of FY18 is forecast to grow at 12-13% CAGR over FY18-23

The ₹5.3 trillion Indian dairy market recorded ~10% growth in FY17, with value-added products (~35% in value terms) growing the fastest at 13-15%. The fastest-growing product was ice cream at ~20%, followed by cheese (19%) and paneer (15%).

Over FY18-23, growth is expected to be driven by increase in sales volumes and higher realisations. Segments such as ice cream, cheese, curd and yogurt are expected to witness accelerated growth in volumes compared with the preceding five years. While higher realisation will be mainly driven by rise in milk prices, a change in product mix in many segments will support growth. For example, in the curd and yogurt segment, a shift from loose plain curd to packaged plain curd, flavoured curd and flavoured yogurt will support realisation growth. In the cheese segment, increasing use of mozzarella, pizza cheese, slices and spreads coupled with growth in the quick service restaurant industry will drive up realisations.

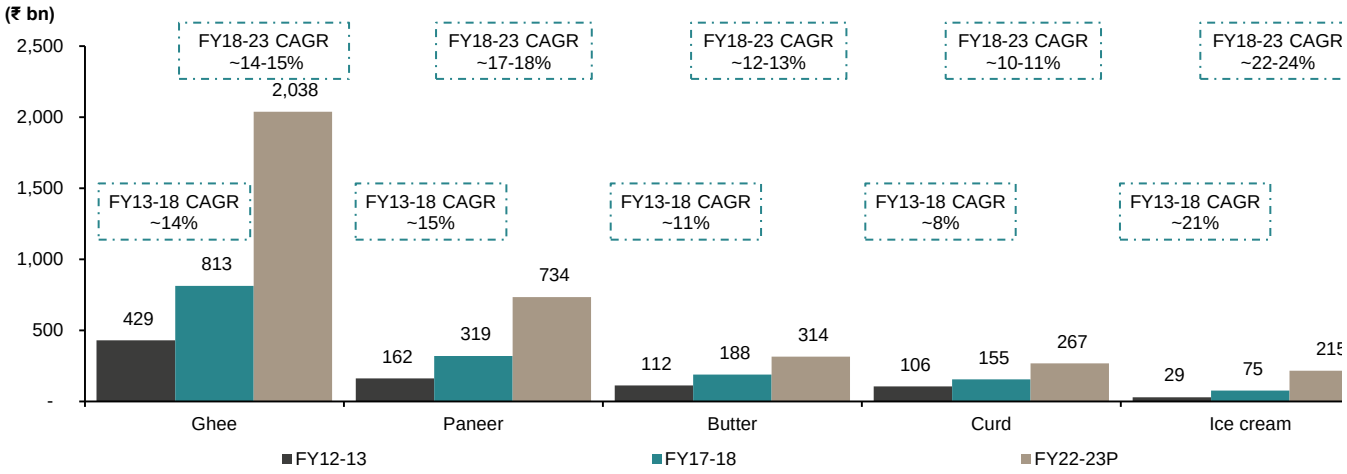
CRISIL Research forecasts the industry to grow at a healthy CAGR of 12-13% over FY18-23 compared with CAGR of ~9% over FY13-18, driven by volume growth, rising milk prices, change in the product mix and rising share of branded products. Further, the share of value-added products is expected to touch 39-43% by FY23 with consumers increasingly preferring value-added products. Rising income levels and changing dietary patterns will likely lead to higher penetration of value-added products in the Indian dairy industry. The industry is also expected to see a shift to branded products which, in turn, will be attributable to a marked change in eating preference of the country's young population, rise in nuclear families, and also in income levels.

Dairy industry to grow robustly over FY18 to FY23



Source: CRISIL Research

Robust growth expected across dairy products over FY18 to FY23…



Source: CRISIL Research

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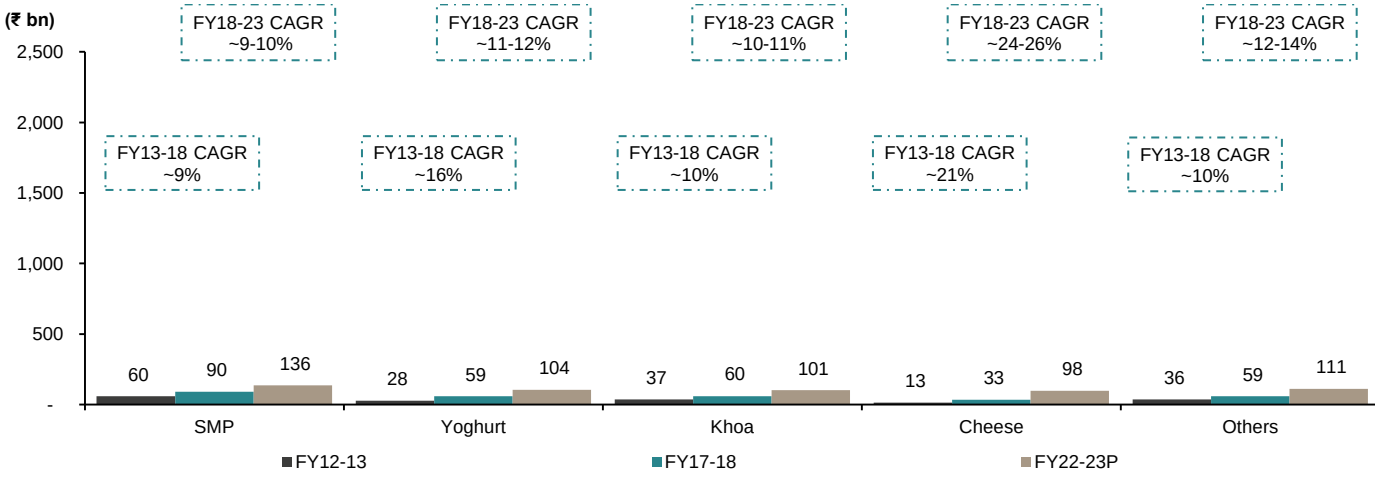
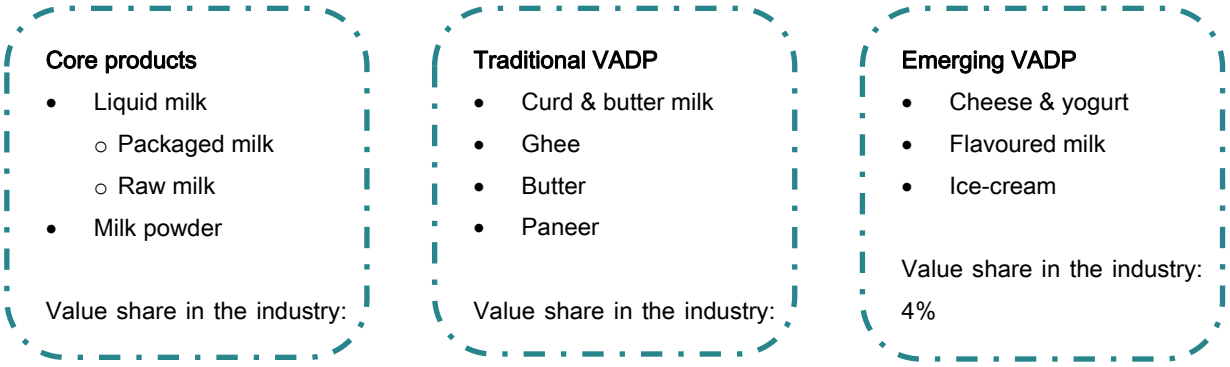


Note: Others include flavoured milk, UHT milk, and buttermilk & lassi
Source: CRISIL Research

Emerging value-added products to drive dairy industry growth

With changing lifestyles and rising income levels, India is witnessing rising consumption of emerging value-added products such as cheese, yogurt, flavoured milk, and ice cream which are largely underpenetrated categories. Emerging value-added products currently account for only about 3% of the market in value terms, which indicates a strong growth opportunity. With private players building their distribution network in rural areas, CRISIL research expects emerging value-added products to grow rapidly at 15-20% up to FY23.

Product differentiation, expected growth and penetration in FY18

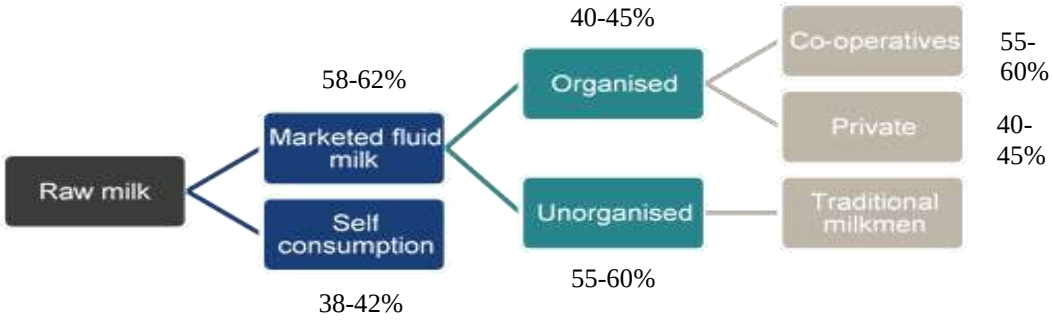


Source: CRISIL Research

Structure of the Indian dairy industry

The Indian dairy industry is broadly divided into organised and unorganised segments. The organised segment comprises cooperative, private and producer companies (set up with the help of National Dairy Development Board or NDDB), while the unorganised segment comprises local vendors and dairy farmers selling within their area of production.

Structure of the domestic milk market

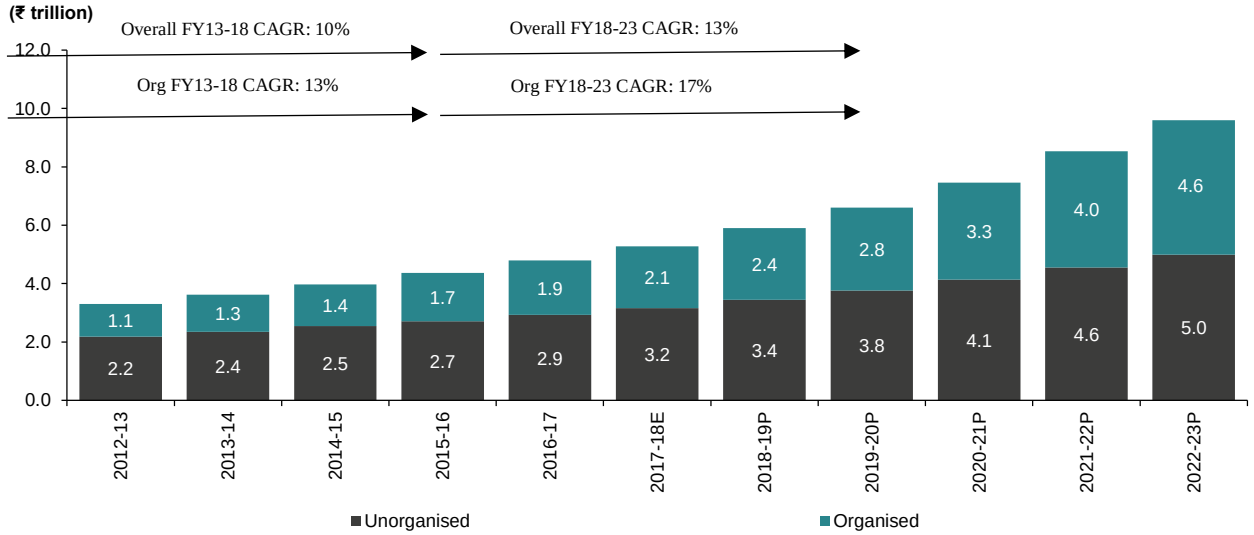


Source: Industry estimates, CRISIL Research

Organised segment accounts for 40-45% of the industry; set to grow faster

As of FY18, the unorganised segment dominated the ₹5.3 trillion Indian dairy industry with 55-60% market share in the retail sale of dairy products, according to CRISIL Research estimates. Over the next five years, we expect the organised segment to grow at a much faster pace of 17% annually, while the unorganised segment is expected to grow at 10% CAGR. Consequently, by FY23, organised players are estimated to account for 48% of the market. Rising consumerism, growing urbanisation and preference for branded packaged foods will act as key growth drivers for this trend. Additionally, private players are investing capital in order to increase their processing capacity, which will help wrestle away market share from the unorganised segment.

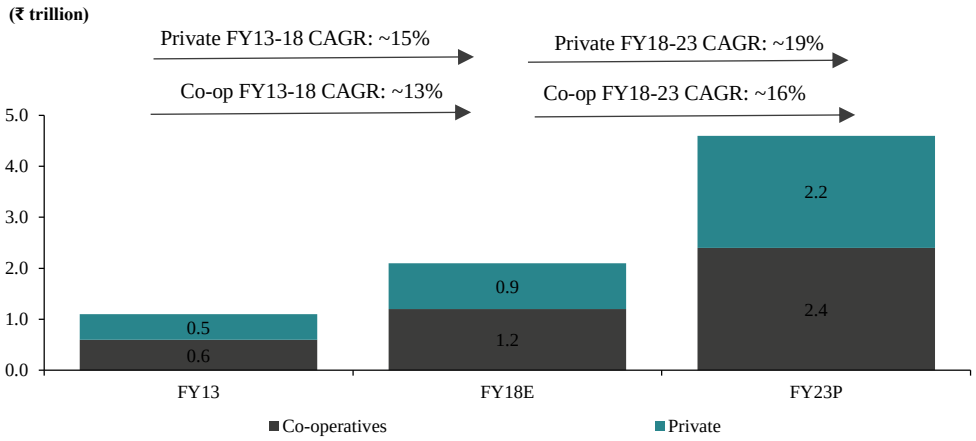
Share **of the organised segment to gradually increase at retail level**



Source: Industry estimates, CRISIL Research

Private players have managed to compete and grow faster than the cooperatives at a CAGR of ~15% over FY13-18. We expect private players to grow at ~19% CAGR over FY18-23, outpacing growth in the organised dairy industry and, hence, the share of private players is expected to reach 45-50% in the organised sector.

Share of private players versus cooperatives within the organised segment to reach 45-50% by FY23

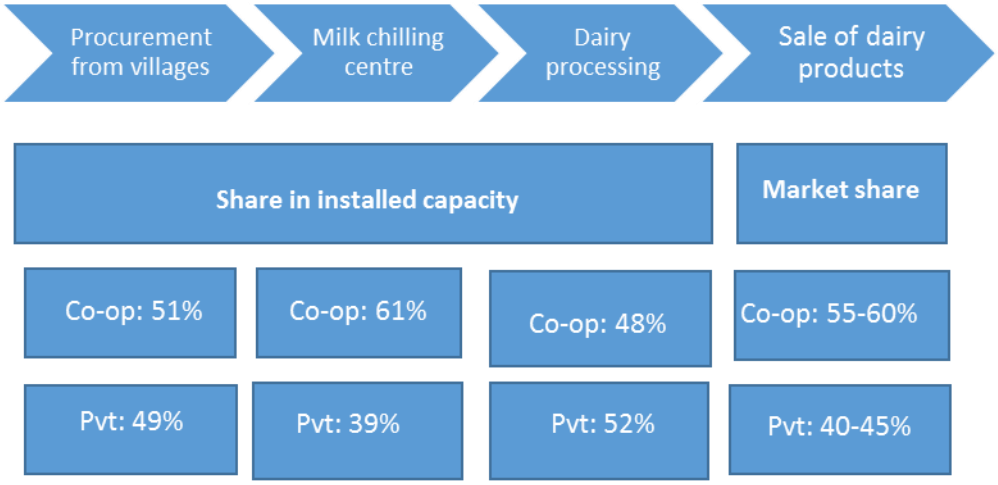


Source: Industry estimates, CRISIL Research

Private players compete on the basis of farmer connect and promptness in payments

Historically, cooperatives dominated the milk supply chain in terms of procurement and storage. However, private players are gradually gaining ground by making requisite investments to strengthen their procurement, storage and distribution network. Cooperatives compete with private players on the basis of milk procurement prices. However, private players offer prompt and upfront payment to farmers and often engage with them to enhance yield / production of their cattle. The more progressive private players are also increasingly opting for direct milk procurement from farmers as opposed to procurement through agents.

Value chain of the Indian dairy industry: Organised segment



Note: Market share as of FY18

Source: Ministry of Animal Husbandry, Dairying and Fisheries, National Action Plan for Dairy Development Vision-2022 document of January 2018 by DAHD&F CRISIL Research

Challenges faced by cooperatives

Owing to their not-for-profit operating model, the cooperatives are mandated to procure all the milk produced by farmers at set prices irrespective of demand. This focus on farmers has helped them establish a strong procurement network. However, at times, it leads to excess supply which they have to later divert to other products, often resulting in losses. The Karnataka Milk Federation, which markets dairy products under the 'Nandini' brand, is being supported by funding from the Karnataka government. The Karnataka government allocated ₹12 billion for 2017-18 to provide incentive of ₹5 per litre of milk to the milk pourers of Milk Producers Cooperative Societies (MPCS). Similarly, in September 2017, the Telangana government announced a cash incentive of ₹4 per litre of milk for dairy farmers supplying milk to the state dairy federation. Further, the state government announced a subsidy programme for farmers to encourage buying buffaloes. Under this scheme, the beneficiary will be able to claim 50-75% subsidy (50% for the general category and 75% for the SC/ST categories) on purchase of buffaloes.

Likewise, in June 2018, to protect the interests of farmers, the Gujarat government announced a support of ₹50 per kg of SMP to be exported by Gujarat Cooperative Milk Marketing Federation Ltd (GCMMF) over the next six months for up to 60,000 MT. This entails a total support of ₹3 billion to the cooperative to help it clear its huge SMP stock and continue procuring milk from farmers.

In many states, the cooperatives are weaker than private players owing to high fragmentation. As multiple district unions market their produce under different brands, the cooperatives cannot achieve scale and, thus, lag behind.

Additionally, most of the capacities in the cooperative sector are functioning with age-old technology and are in dire need of upgradation and renovation in terms of expanding production and demand. Of the total processing plants, 60% are nearly more than 30 years old. As per estimates, the capacity utilisation of cooperative processing units at an aggregated level is ~65%, whereas that of private players is close to 80%.

In the long-term, the ability of state governments to provide capital and financial support to cooperatives could be constrained because of a change in spending priorities and/or fiscal constraints.

Low shelf life of dairy products results in the domination of regional players

Another key trend in the Indian dairy industry has been the dominance of regional players in most markets. This can be attributed to:

- High share of liquid milk and demand for low shelf life products
- Low margins and profitability in liquid milk, making it economically unviable to transport over longer distances

- Time and effort required to gain trust of farmers and build a strong procurement network

Most players started off operations in their home regions and have gradually expanded into other markets only after establishing a strong presence at home. While expanding beyond their home region, players have focused more on their long shelf life products such as butter, cheese and ice creams with rising demand for organised brands. Nonetheless, the local regions continue to account for a lion's share of revenue for most players.

Close to 40% of the milk produced is self-consumed

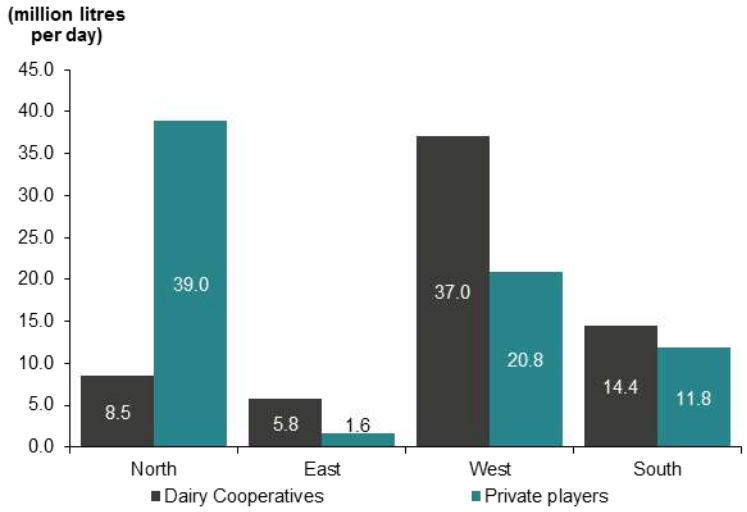
Close to 40% of the milk produced in India is not processed and is consumed either by the households owning the milch animals (the producer level), or sold to non-producers in the rural area.

For the betterment of producers, the government is making efforts to increase the reach of the organised sector to these producers. The share of marketable milk is slowly rising thanks to the involvement of the organised segment to reach out to under-penetrated areas for milk procurement and distribution. Capacity additions close to such areas will make more milk available for the organised sector in the near term.

Processed/packaged milk gaining prominence in India

With the increase in milk production in India, the processed milk segment (which is almost entirely organised) has grown at a faster pace, i.e. at a CAGR of ~13% over FY13-18 compared with the unprocessed milk segment which has grown at a CAGR of ~6% over the same period. The processed fluid milk segment consists of cooperatives as well as private players. As per the Department of Animal Husbandry, Dairying and Fisheries, the total registered processing capacity for the cooperative sector is ~66 million litres per day, whereas for the private sector, it is ~73 million litres per day.

Region-wise installed milk processing capacity



Source: National Action Plan for Dairy Development Vision-2022 document of January 2018 by DAHD&F

The distribution of installed capacities is in line with the milk production. The north and west accounted for bulk of the installed capacities. However, in the north, private players' capacities for milk processing far exceeds that of the cooperatives. In south India, private players are matching the cooperatives in terms of installed capacities for milk processing.

The states are classified into respective regions as per below:

Region	***States***
North	*Uttar Pradesh, Rajasthan, Punjab, Haryana, Jammu & Kashmir, Uttarakhand, Himachal Pradesh, Delhi, Chandigarh*
East	*Bihar, West Bengal, Orissa, Jharkhand, Chhattisgarh, Assam, Tripura, Meghalaya, Nagaland, Manipur, Sikkim, Arunachal Pradesh, Mizoram, Andaman & Nicobar Islands*
West	*Madhya Pradesh, Gujarat, Maharashtra, Goa, Dadra & Nagar Haveli, Daman & Diu*

South	*Andhra Pradesh, Tamil Nadu, Karnataka, Telangana, Kerala, Pondicherry, Lakshadweep*

Key growth drivers for the Indian dairy industry

The dairy and milk products industry is expected to grow at 12-13% CAGR over FY18 to FY23 based on the following:

Rising urban population and middle class along with rapid nuclearisation

Growth in the dairy industry is expected to be aided by rising consumerism, growing urbanisation and increasing number of nuclear families, especially in the value-added dairy product (VADP) segment. Rising health consciousness is driving demand for products such as pro-biotic, fortified milk foods, etc. while urbanisation-related lifestyle changes are pushing demand for packaged milk products. Similarly, VADPs such as curd, buttermilk, ghee, butter, ice cream and paneer are driven by increasing nuclearisation of families.

Rising importance of milk as a prominent source of protein for vegetarian population

A vast population of the country is vegetarian. Given that the proportion of vegetarians is increasing in the overall population mix, it is expected to result in rising demand for milk and dairy products as milk is an important source of protein, particularly for the vegetarian population. This translates into a huge growth potential for the dairy industry.

Continued government focus towards the dairy sector

Priority sector lending status for the dairy sector since 1999 has played a pivotal role in shaping the sector. Better access to credit, aided by a need among bankers to diversify portfolio concentration in the priority sector lending space, will continue to benefit dairy sector stakeholders.

India has also tremendously benefitted from 'National Dairy Plan' and 'Operation Flood'. A CAGR of 4.5% over the past five years in domestic milk production has proven that government initiatives have been beneficial. Remunerative price of milk from cooperatives and private dairy players have encouraged several regional farmers to upgrade to better yielding cross-bred cows. This has not only aided production, but has also been beneficial to farmers, thus encouraging more players to enter.

Permission of 100% foreign direct investment (FDI), setting up of National Genomic Centre for raising high yielding breeds, efforts to connect farmers to breeders, online market places for selling the produce, and increasing MSP are some government initiatives. The government is expected to continue to bring about policy reforms to aid growth and safeguard farmer interests, which will be instrumental in sustained growth of the sector.

Rising preference for packaged milk

Rapid urbanisation, changing demographics (such as increasing number of working women and rising disposable income), nuclearisation of families, and growing health awareness have led to rising preference for packaged milk. It is also preferred owing to superior hygiene, ease of storage, consistent quality, and easy availability. Pouches are the most preferred means of packaging, as these are cost-effective for manufacturers as well as consumers.

Rising share of VADPs

With changing dietary patterns and consumer lifestyle, demand for VADPs such as curd, ghee, cheese, butter, paneer, etc. is outpacing demand for processed milk. Over the near to medium term, superior growth of VADPs will drive the milk and dairy industry. Rising consumer purchases of these products, as they move from making it at home to purchasing it off the shelf, has supported the shift to VADPs.

Product innovation and improving quality across price points

Companies are increasingly innovating and manufacturing products across price points to cater to consumers with varying tastes, preferences and pockets. This, coupled with enhanced packaging, longer shelf life and better quality of products, should drive further penetration of processed milk products and, thereby, support long-term growth.

Improvement in supply chain infrastructure

Growth in the dairy industry is also expected to be aided by improvement in cold storage facilities, development of cooperative infrastructure, setting up of more collection depots and distribution centres, technological advancement in supply chain management, and overall improvement in public infrastructure and goods transportation.

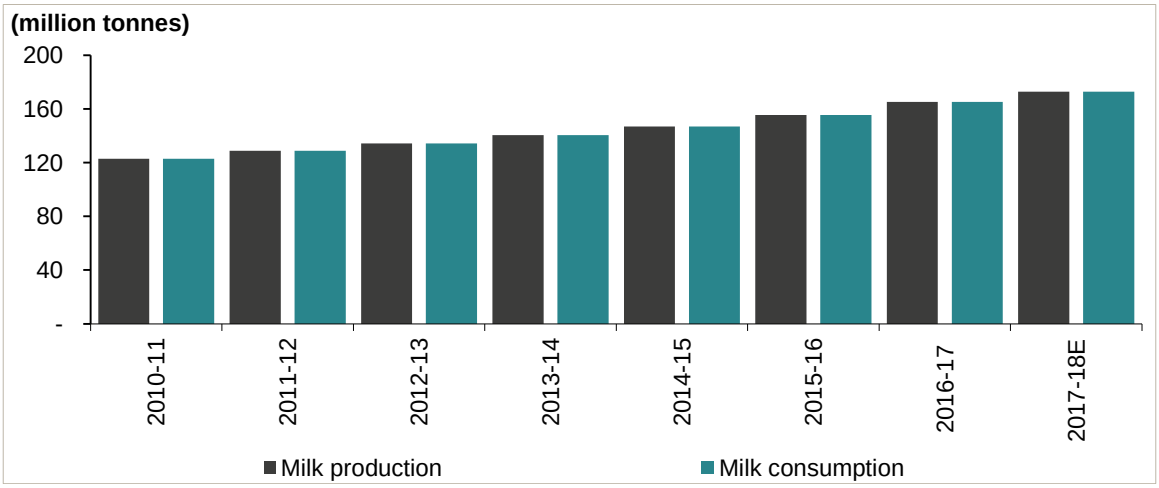
The inherent limitations owing to lower shelf life of dairy products are progressively getting eliminated by organised players, which will help increase the penetration of processed milk and dairy products in towns and villages, resulting in industry growth over the next 3-4 years.

Overview of milk production in India

The domestic dairy industry has a healthy mix of cooperatives and private players. Small and marginal farmers benefited from the National Dairy Plans 1 & 2 and Operation Flood, as attractive prices offered by cooperatives encouraged dairy farmers to shift from indigenous cows to high-yielding cross-bred cows, thereby increasing their income and milk supply. Setting up of support infrastructure such as cattle feed plants by cooperatives, training programmes, and government initiatives further boosted milk production.

In India, production to consumption ratio is nearly 99%, i.e., almost all the milk produced in India is either consumed directly or in terms of VADP. India exports SMP which accounts for less than 1% of the total Indian dairy industry in terms of value.

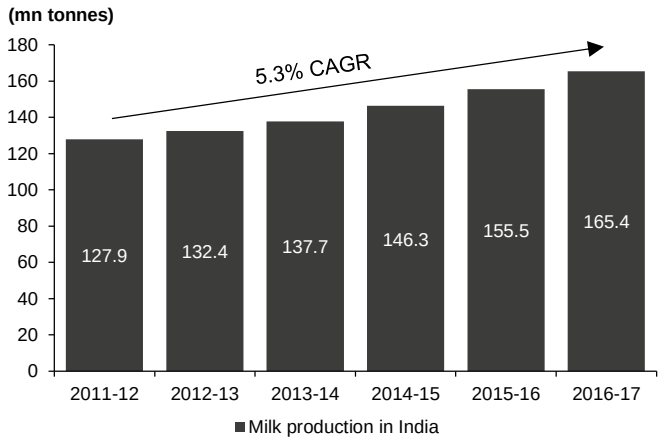
Milk production to increase steadily



Source: CRISIL Research

India leads in milk production and is amongst the fastest-growing markets for dairy products since 1999-2000. Further, the country is one of the largest milk consumers and, hence, not very active in global dairy trade. Global milk output increased at a CAGR of 1.3% over CY12-17 to reach ~811 million tonnes in CY17. Over the same period, milk production in India reached ~165 million tonnes in FY17, clocking a CAGR of 5.3% over FY12-17. Production is expected to grow at a faster pace of 5-6%, owing to increasing yield of in-milk cows and buffaloes.

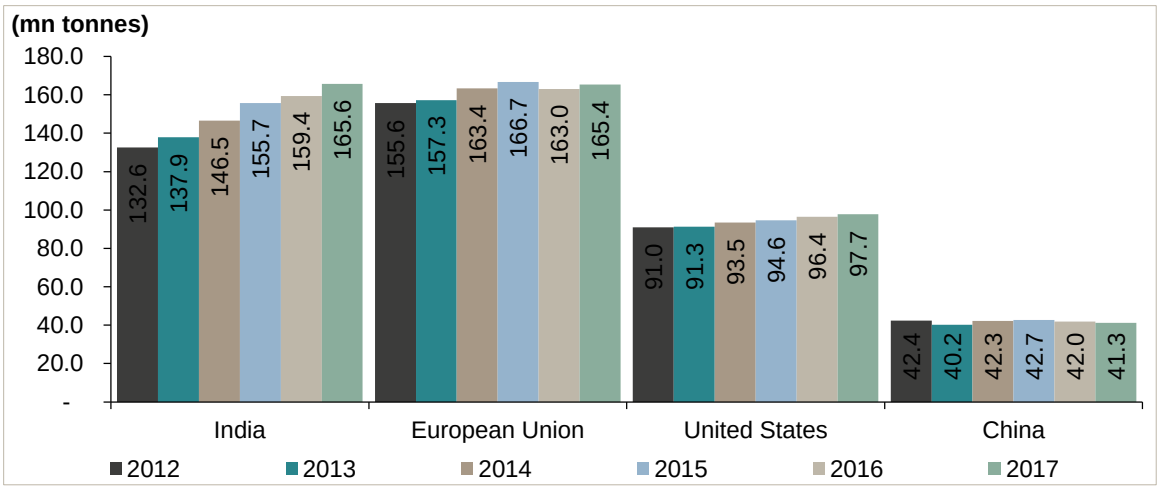
Domestic milk output increased at a CAGR of 5.3% over FY12-17



Source: NDDB, CRISIL Research

In 2017, compared with major economies, India produced 1.7x and 4.0x milk produced in the US and China, respectively.

India's milk output in 2017 is estimated to be 1.7x and 4.0x the output of second and third-largest milk producing **countries**

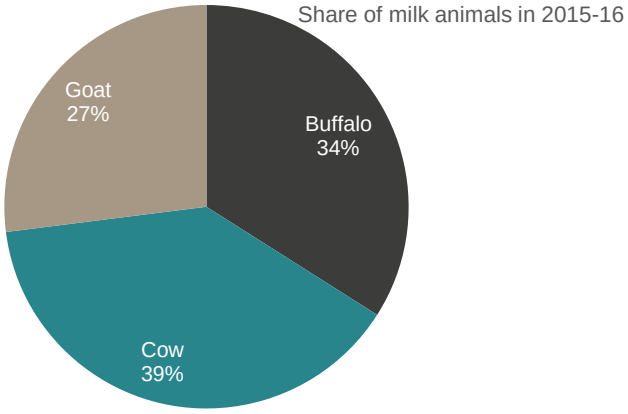


Source: FAO, CRISIL Research

Cow milk gaining share in milk production

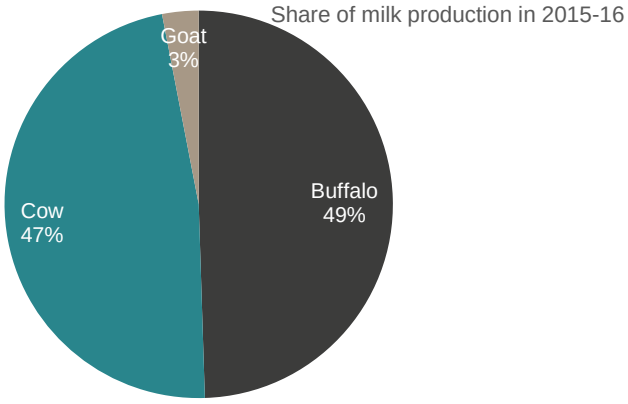
In India, 49% of milk produced in FY16 was obtained from buffaloes as against 47% from cows and ~3% from goats. However, contribution of cows to milk production has been increasing over the past few years, from 41% in FY07 to 47% in FY16. In terms of the number of milk animals, 39% of animals are cows followed by 34% buffaloes and 27% goats. Although goats make up a considerate proportion of total milk animals, they have very low yield and contribute a paltry share in total milk production.

Highest share of cows in milk animals



Source: Department of Animal Husbandry , Dairying & Fisheries, Ministry of Agriculture & Farmers' Welfare, NDDB, CRISIL Research

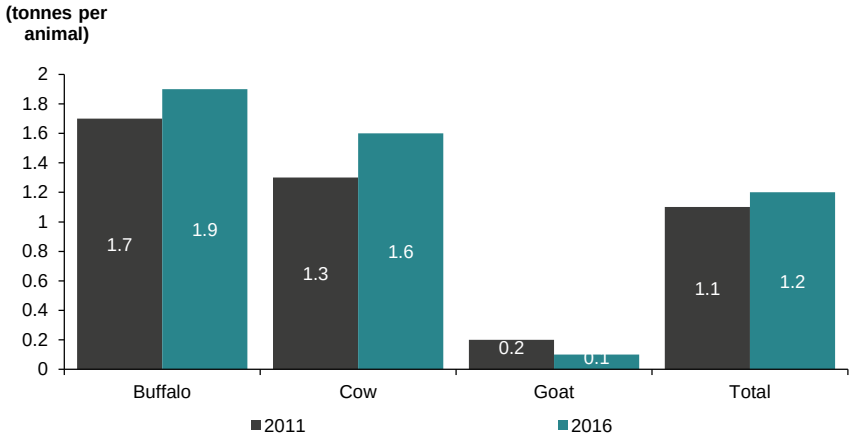
Milk production is dominated by buffaloes



Source: Department of Animal Husbandry , Dairying & Fisheries, Ministry of Agriculture & Farmers' Welfare, NDDB, CRISIL Research

Increase in the share of cow milk is in line with change in demand preferences. Our interactions with market participants indicate a growing preference for cow milk on the back of increasing health awareness and changing demographics, especially in urban areas. Cow milk contains less fat content than buffalo milk and, hence, appeals to health-conscious youth population.

Milk yield across different species



Source: FAO, NDDB, CRISIL Research

In the southern states of Tamil Nadu, Karnataka and Kerala, bulk of production takes place through high-yielding, cross-bred cattle. In Andhra Pradesh and Telangana, predominance of milk production through buffalo milk is observed.

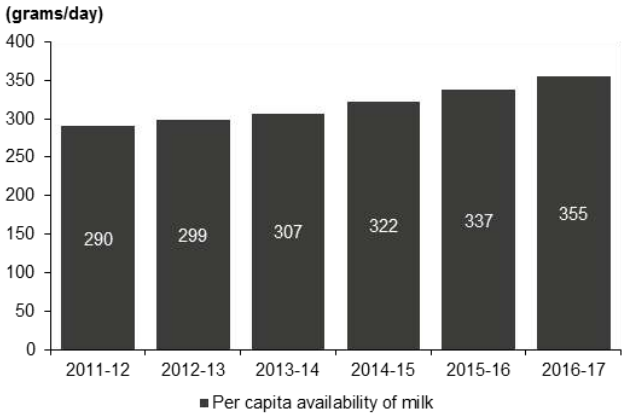
Milk availability in India

Per capita availability of milk in India has grown steadily

India is the largest milk producer globally and milk production is growing at a healthy rate. Per capita availability (PCA) of milk in India has grown steadily at 4.1% CAGR over FY12-17. As per NDDB data, as of FY17, it is 355 grams per day.

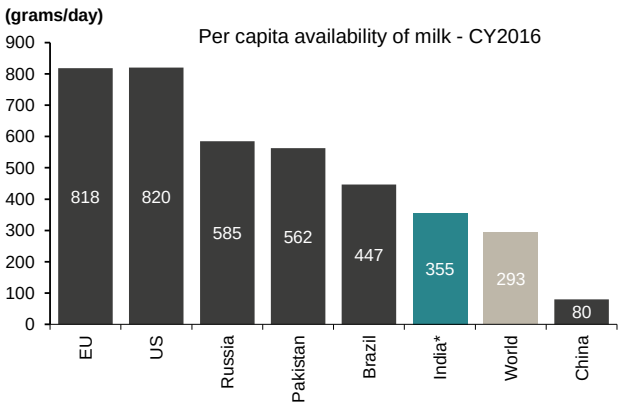
Compared with some other countries, both developing and developed, India's per capita availability of milk is low. In CY16, the US's PCA was 2.3x of India's even though India produces ~1.7x of the milk produced in the US. This can be attributed to lower yield of milch animals in India as well as a large population.

Domestic per capita availability of milk has grown at CAGR of 4.1% over past few years



Source: NDDB, CRISIL Research

Low per capita availability compared with other major developing and developed countries



Source: FAO; NDDB, CRISIL Research,

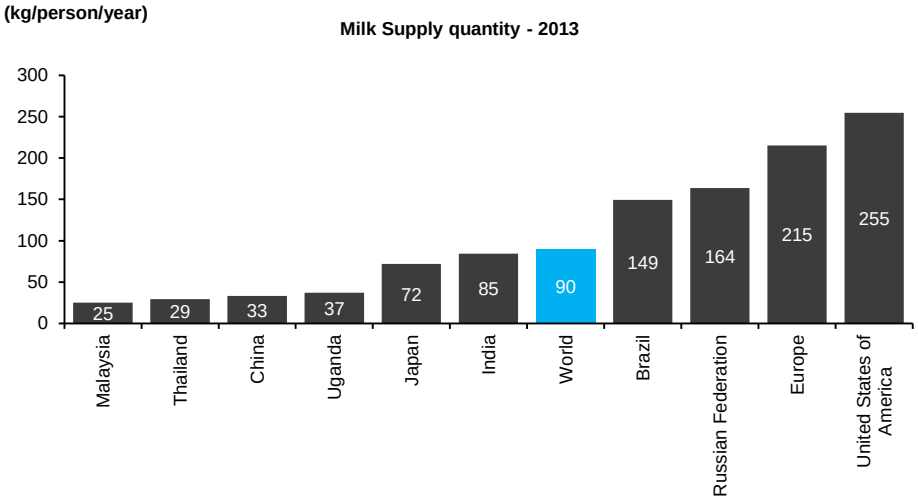
****India's PCA is as of FY17***

Per capita milk consumption higher in developed nations

Per capita consumption (PCC) of dairy products is determined by many factors, including economic (such as income levels) demographic (such as urbanisation, socio-cultural and religious beliefs), and food habits. Milk and dairy products have high income elasticity of demand (a small change in income leads to increased spending on dairy products), especially at low income levels.

PCC of milk varies significantly between developed and developing nations, exceeding 200 litres/person/year in developed nations and falling to as low as 30 litres/person/year in poorer countries in Africa and Asia. The variation is attributed to higher per capita income and lower income elasticity of demand in developed countries. In India, PCC of milk increased at 4.1% CAGR from FY12 to FY17, and is estimated to grow healthily going forward driven by rising income levels.

Per capita supply, which is often used as a close proxy of PCC, of milk in India was 85 kg/person/per year compared with 90 kg/person/year of global average in 2013. Developed nations such as the US and the EU countries fared better than India on a per capita supply basis.

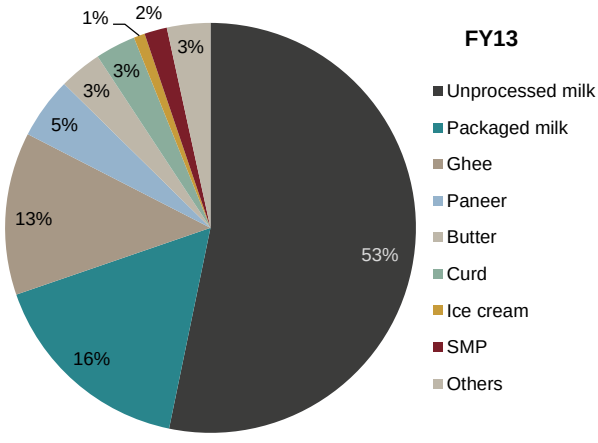


Source: FAO; CRISIL Research

Product-wise growth outlook for the overall dairy industry

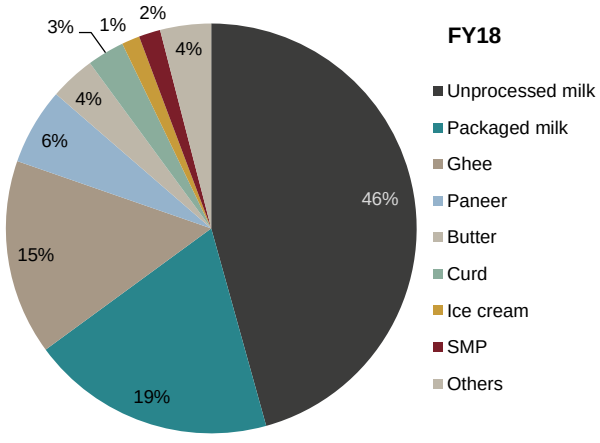
The share of fluid milk (packaged + unprocessed) as a percentage of the overall domestic dairy industry has historically remained above 60%, but is gradually decreasing. With changing trends in the consumption patterns, CRISIL Research expects VADPs to grow at a much faster rate than fluid milk and is estimated to have ~43% share in the overall value mix by FY23, thus bringing the share of fluid milk to ~57%.

Split of overall dairy industry in FY13



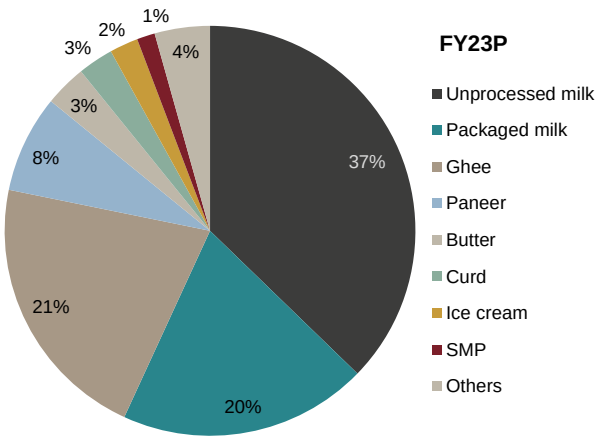
Source: CRISIL Research

Split of overall dairy industry in FY18



Source: CRISIL Research

Split of overall dairy industry in FY23P



Source: CRISIL Research

Product-wise margins, market size and growth

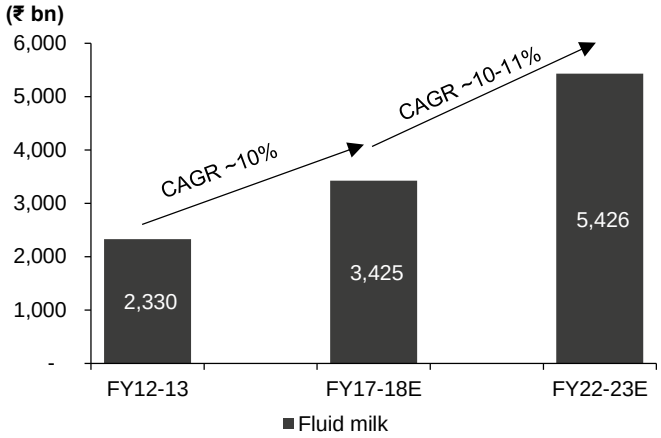
(₹ billion)	EBITDA margin	FY13	FY18	FY23P	CAGR FY13-18	CAGR FY18-23
Fluid milk	4-6%	2,330	3,425	5,426	~8%	~10-11%
Unprocessed milk	NA	1,779	2,410	3,556	~6%	~7-9%
Packaged milk	NA	551	1015	1870	~13%	~12-14%
Ghee	20-22%	429	813	2,038	~14%	~14-15%
Paneer	19-21%	162	319	734	~15%	~17-18%
Butter	17-19%	112	188	314	~11%	~12-13%
Curd	19-21%	106	155	267	~8%	~10-11%
Ice cream	37-39%	29	75	215	~21%	~22-24%
SMP	6-8%	60	90	136	~9%	~9-10%
Yogurt	24-26%	28	59	104	~16%	~11-12%
Khoa	14-16%	37	60	101	~10%	~10-11%
Cheese	29-31%	13	33	98	~21%	~24-26%
Flavoured milk	NA	19	32	59	~11%	~13-14%
Buttermilk and lassi	**10-12%**	**5**	**7**	**11**	**~8%**	**~10-11%**

Source: CRISIL Research

Fluid milk market valued at ₹3.4 trillion in FY18; 10-11% CAGR seen over FY18-23

Currently, fluid milk accounts for ~65% of the Indian dairy market in value terms and ~85% in volume terms. After continuous efforts by NDDB, the supply of milk to various stakeholders has reached expected levels. Consumption of fluid milk is expected to keep up the growth momentum and record 6-7% CAGR in volume until FY20. The market is expected to grow in volume and value terms as all the players, especially the organised ones, are adding more value to their products and increasing the retail prices. The key players have increased the retail prices for processed milk at a CAGR of 4-6% in the past three years. The trend is expected to continue, leading to expansion of the fluid milk category in the industry.

Fluid milk market to expand steadily



Source: CRISIL Research

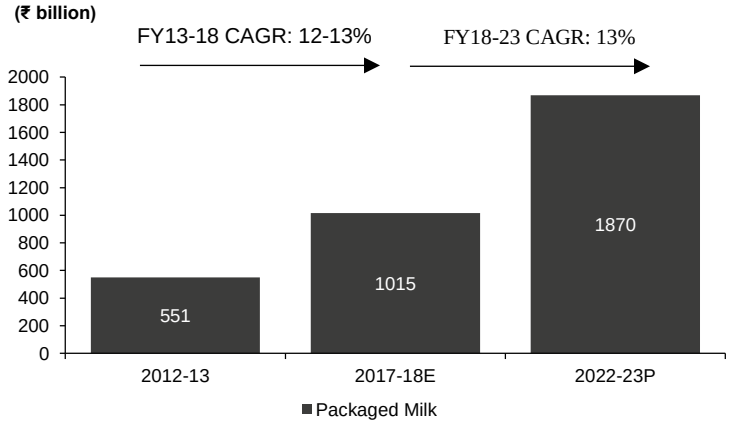
While demand for fluid milk increased at a 4.6% CAGR between FY13 and FY18, realisations increased at ~6% CAGR. Consequently, the fluid milk segment recorded ~10% CAGR, reaching an estimated ₹3.4 trillion in FY18 from ₹2.3 trillion in FY13. Realisations are expected to rise at a CAGR of ~5% over FY18-23.

Packaged milk seen recording ~13% CAGR over FY18-23

Packaged milk refers to processed or pasteurised milk and is gaining prominence as the sub-segment is growing at a faster pace than the entire fluid milk segment. Currently, packaged milk is estimated to account for ~25% of the total industry or 60-65% of the organised dairy industry in volume terms.

The market for packaged milk is estimated to have grown from ₹550 billion in FY13 to ~₹1 trillion in FY18 at a CAGR of 12-13%. This is on the back of ~4% realisations growth and 8-9% demand growth, both on an annual basis. We expect the sub-segment to grow at ~13% CAGR over FY18-23. This segment also offers the shortest cash conversion cycle (owing to the cash nature of purchase/sales in the entire value chain, perishable nature, and nil inventory) and the highest return on capital employed (RoCE) owing to steady demand and low capital requirement for processing units that produce packaged milk.

Packaged milk market to grow faster than fluid milk



Source: CRISIL Research

Most packaged milk buyers prefer pouches

Pouches are the most preferred means of packing processed milk, as they are cost effective and have gained popularity in the urban areas owing to ease of storage. Pouches account for more than 95% of the packaged milk segment, while PET/glass bottles contribute the remaining.

Indian SMP market shifts from exports to domestic sales; trend to continue

SMP is mostly consumed by the Indian dairy processors to reconstitute it into milk in the low milk producing seasons (mostly summer). This product had high demand internationally, especially in Europe as there were restrictions on its production and supply. However, in 2015, those restrictions were lifted and it opened up the market. This led to a spike in production and fall in international SMP prices, leading to piling up of inventory in India. With excess stock, and sluggish export market, the Indian dairy processors turned to the domestic market and used SMP to manufacture value-added products in the domestic market from FY15. In FY18, the inventory levels fell 30%, indicating the companies are maintaining just enough stocks to cater to the domestic market. Exports were not a viable option anymore.

The international SMP market is expected to remain sluggish over the next few years directing the dairy processors to focus on value-added products.

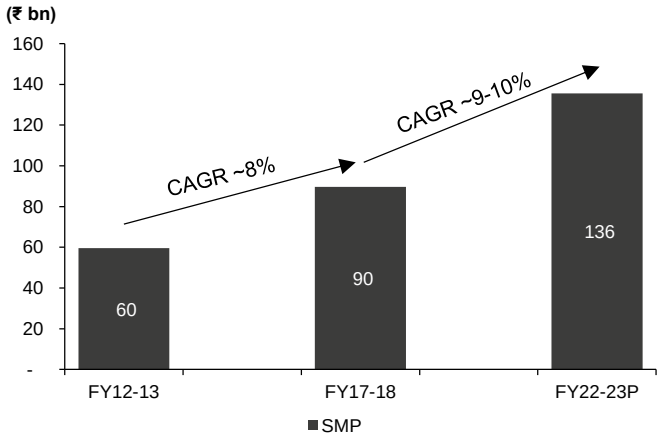
SMP segment to grow at a steady pace, albeit on a lower base

Most milk processors convert liquid milk into powder during the peak season to ensure sustained milk supply in the off-season. During summer, milk production drops by a third owing to low availability of fodder and other seasonal factors. About 12 kg of milk yields 1 kg of SMP. Processors blend fresh milk with SMP typically in the ratio of 70:30 during summer. SMP has a shelf life of close to one year.

The domestic market size of SMP was estimated to be ₹90 billion in 2017-18. Our interactions with industry sources indicate that the retail sector accounts for only 15-20%, while the balance is consumed by the institutional segment comprising hotels, restaurants and food suppliers to airlines, and catering industries. For the institutional segment, it is easier to use SMP which has relatively higher shelf life than fresh milk.

The branded market in this segment holds over 98% share in India. The retail segment has been able to maintain price realisation as against wholesale, since the latter is mostly export-oriented and export realisations are pegged to international prices. For example, international prices fell to ₹170-180 per kg in November 2015 compared with ₹250-260 per kg in the domestic retail segment during the same month. However, demand has picked up over the past four years. The SMP segment recorded ~9% CAGR during the period. Given the steady demand from the institutional category, the SMP segment is expected to grow at a robust pace of 9-10% in the next 2-3 years.

Steady growth of 9-10% expected in SMP over FY18-23



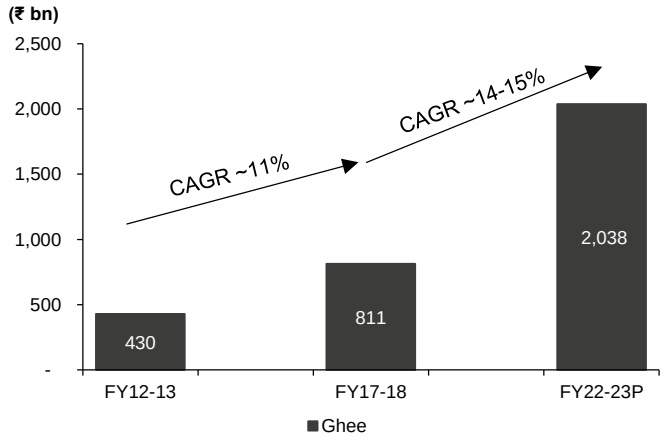
Note: Market size includes dairy whiteners and creamers used directly by end consumers, and not those used by industrial users to manufacture other dairy products.

Source: Industry, CRISIL Research

Butter, ghee growth healthy; launch of new variants driving growth in ghee

Ghee is the second largest segment after processed milk in the domestic dairy industry. It has over 15% share of the entire industry. The ghee market expanded at a robust CAGR of 11%, from an estimated ₹430 billion in FY13 to ₹813 billion in FY18. In volume terms, the segment is estimated to have grown at 4-5% CAGR to 1.5 billion kg during the period. Realisations rose at 5-6% CAGR largely owing to an increase in milk prices and the pricing power enjoyed by a few large private players. Going forward, the ghee segment is expected to grow at a rapid pace of 14-15% as entry of a few private players has led to the evolution of the market in India.

Increased rural outreach by organised players to drive growth



Source: Industry, CRISIL Research

Supply-side drivers for ghee

A. Launch of new variants and branding strategies

B. Industrial users switching from *vanaspati* to ghee

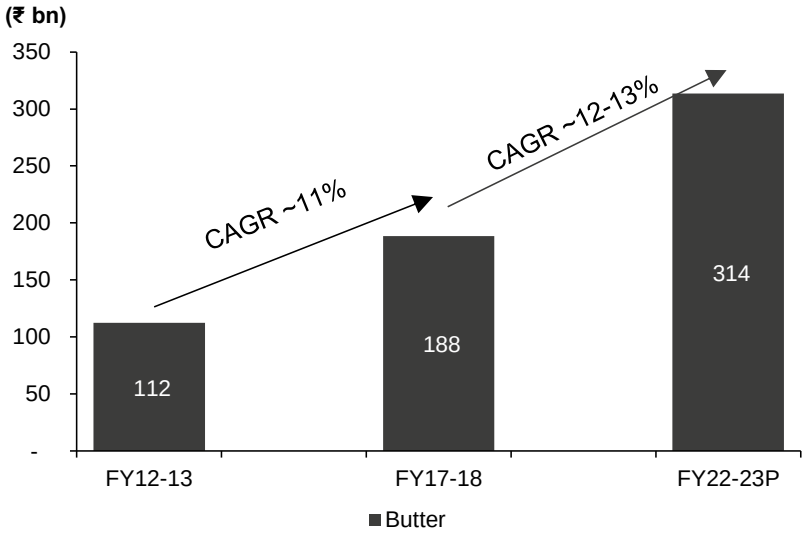
C. Rapid urbanisation and a steady shift to branded products

Butter: Industrial users to drive sales

Between FY13 and FY18, the domestic retail market for butter is estimated to have grown at 12% CAGR to ₹112 billion driven by volumes. In volume terms, it grew at an estimated 4-5% CAGR, while realisation is estimated to have increased 7-8%, driven by the rise in milk prices. Going forward over FY18-23, the butter volumes are expected to increase 10-11% and realisations 7-8% as the organised players enjoy better pricing power.

Quick service restaurants or QSR – hotels, restaurants and cafes (HORECA) – which grew at a healthy 25% CAGR until FY18, are expected to be the key demand drivers for the butter segment. Increasing urbanisation and change in food habits are other factors that aided butter sales. However, with restaurants increasingly substituting butter with margarine (a spread made from vegetable fat), demand growth from this segment is expected to be limited. Margarine is preferred by restaurants as it is 35-40% cheaper. Thus, CRISIL Research expects growth in the segment to remain steady at 12-13% CAGR until FY23. It is unlikely to grow faster.

Butter segment to grow steadily over the next three years



Source: Industry, CRISIL Research

Paneer: Changing lifestyle, high-protein diet to enable growth

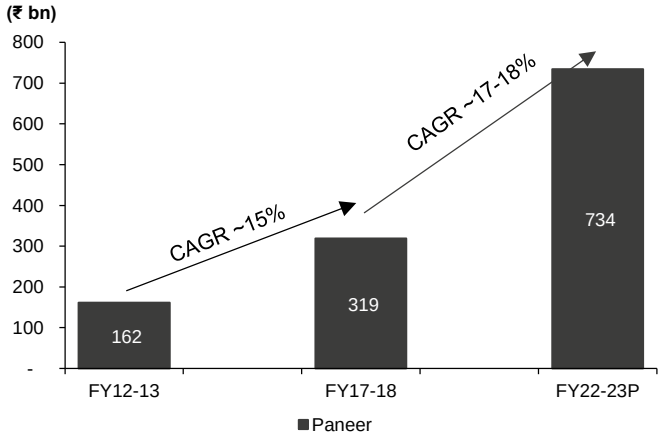
Paneer is an Indian variant of processed cheese. It has a sizeable consumer base. Historically, the northern states have been a stronghold for the segment. However, the trend has been fast changing over the past few years. The southern region is also seeing robust growth in the paneer segment owing to the increasing cosmopolitanism of the cities, growing tourism, and rising numbers of hotels/restaurants and cafes. Sales of product have been growing a healthy 15% primarily owing to demand from the food services industry, which, as per our industry interactions, posted 25% CAGR over FY13-18. The increase in demand for paneer from households is owing to its rich protein content and easy-to-cook nature. It has also become an essential ingredient for vegetarians.

Major growth drivers for the paneer segment are:

- Increasing health awareness with inclination towards healthier, low-fat, high-protein diet, especially among the millennial population.
- Increasing young population with higher preference for packaged foods with paneer such as paneer pizza and paneer curries.
- Aggressive growth plans of QSR in response to growing demand for vegetarian snacks, take-home packs, and innovative variants.

In keeping with the industrial and household demand, by FY23 paneer production is seen rising 10% and milk diverted for this purpose will increase over 30%. Realisations are expected to rise 7%, faster than 4-5% from milk, as the companies find it easier to pass on the rise in raw materials in this segment. The overall paneer segment is expected to grow at a sharp rate of 17-18% by FY23.

Paneer segment to grow at a faster pace led by volume growth



Source: Industry, CRISIL Research; Note: Market size includes paneer sold at retail level including industrial consumers

The domestic paneer segment is dominated by unorganised players. CRISIL Research expects this segment to grow at a strong pace, driven by increasing migration from northern India to various parts of the country, and change in taste and preferences of consumers in the southern states.

Boost for curd and related products as demand for healthier options rise

Curd, a traditional dairy product, is generally prepared (easy to prepare) and consumed at home. However, a fast-paced lifestyle has encouraged buying from local dairies and getting regional brands. Although, national brands with a good distribution network offer a variety of products, the regional brands have a better hold on the market as their curd is perceived to be fresh. Growing awareness of the health benefits of curd and increase in a variety of products have driven growth in the curd and related products segment in the past few years. Growth can also be attributed to consumers' rising income levels and their increased expenditure on food items that provide basic nutrition.

The curd market grew at a moderate pace of ~8% CAGR between FY13 and FY18 to ~₹155 billion. Growth can be attributed to the increase in realisations of milk over the past few years as well as steady domestic demand, particularly from the southern region. Around 35-40% of the demand (~₹54-62 billion) for curd comes from Andhra Pradesh, Telangana, Karnataka, Tamil Nadu and Kerala, where it is widely eaten with rice.

The industry is expected to grow at a healthy CAGR of 11-12% to around ₹267 billion by FY23, driven by increased consumer preference for healthier packaged curd, growing urbanisation, and rising number of nuclear families. Flavoured curd and yogurt from organised players are currently available only in key metros owing to lack of reliable cold chain infrastructure in smaller cities and low shelf life of these products. With improvement in cold chain infrastructure, availability of yogurt and, thus, its demand are expected to increase.

Ice cream: Improved product mix and varied offerings to drive growth

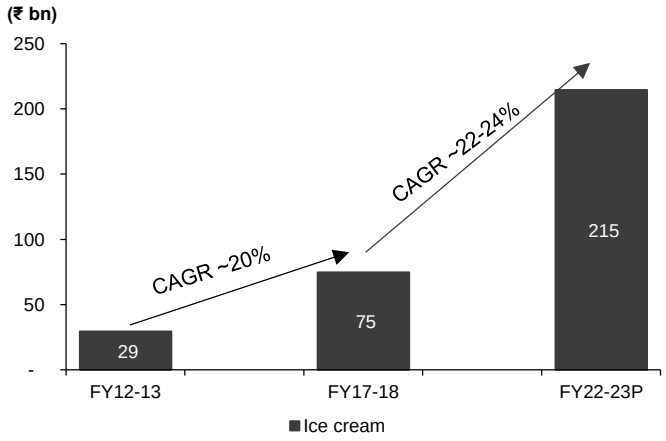
The ice cream segment, which is positioned on the high end of the VADP matrix, is one of the fastest growing segments in the industry. Between FY13 and FY18, the segment expanded at ~20% CAGR to ~₹75 billion.

The consumption trend of ice cream has changed drastically in India in the past decade. Previously, it was a product reserved only for summers. However, in recent times, with the evolution of desserts and increase in out-of-home consumption of foods/meals, ice cream has become an integral part of a full course meal, irrespective of seasons. Steep growth in the ice cream market is driven by rising demand from urban areas owing to rising population, higher consumer spending owing to increase in per capita income, higher consumption during the non-summer period, permeation of the mall culture, and diversified offerings by the organised branded players on a pan-India basis. Improved cold chain management has strengthened demand.

Also, with the improvement of cold storage facilities and drop in frequency of power cuts, the players have been able to improve their penetration in the urban and semi urban areas. Demand increased robustly in the past 2-3 years despite the players increasing retail prices owing to rising prices of raw materials such as milk and sugar. This growth can be attributed to the mushrooming of ice cream parlors and increase in variety.

Considering the strong growth trend in ice creams and improvement in the cold chain network, CRISIL Research estimates the industry to log a five-year CAGR of 22-24% to reach ₹215 billion by FY23.

Ice cream segment to grow at a brisk pace



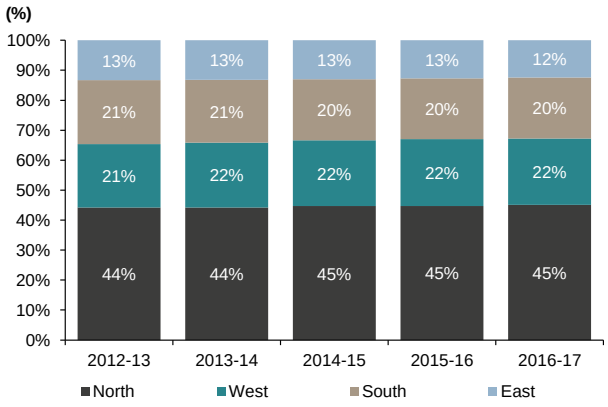
Source: Industry estimates, CRISIL Research; Note: The industry size is inclusive of frozen desserts, kulfis, etc.

Assessment of the overall dairy industry in southern India

Southern region continues to account for ~20% of India's milk production

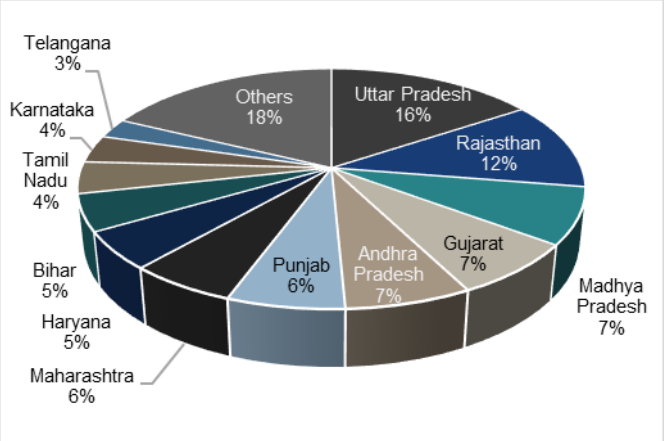
The southern region of India maintained a share of 20-21% during FY12-17. Over FY07 to FY17, milk production in the southern region logged a healthy CAGR of 5.0%, close on the heels of the western region which clocked a CAGR of 5.8%. Milk production is concentrated in 10 states, which together made up ~75% of the total production in FY17.

Southern region maintained ~20% share in milk production



Source: NDDB, CRISIL Research; Refer annexure for states included in regions

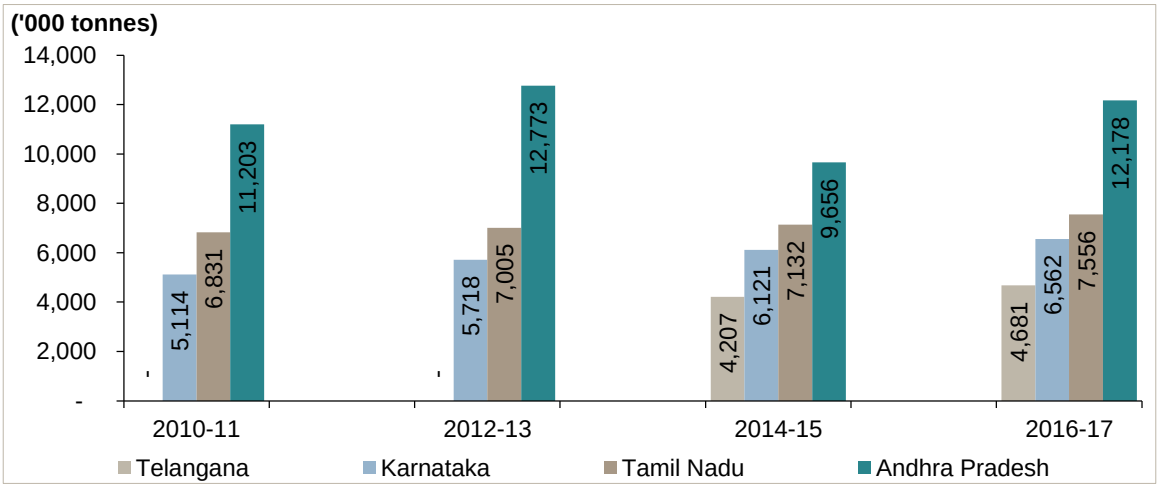
Four of top 12 milk producing states in FY17 were from southern region



Source: NDDB, CRISIL Research

More than 90% of milk production in south India happens in Andhra Pradesh (leads the pack), Karnataka, Tamil Nadu and Telangana. Amongst these states, production increased the fastest in Karnataka (at 3.8% CAGR over FY12-17).

Andhra Pradesh is the fifth largest milk producer in India and the largest in south India



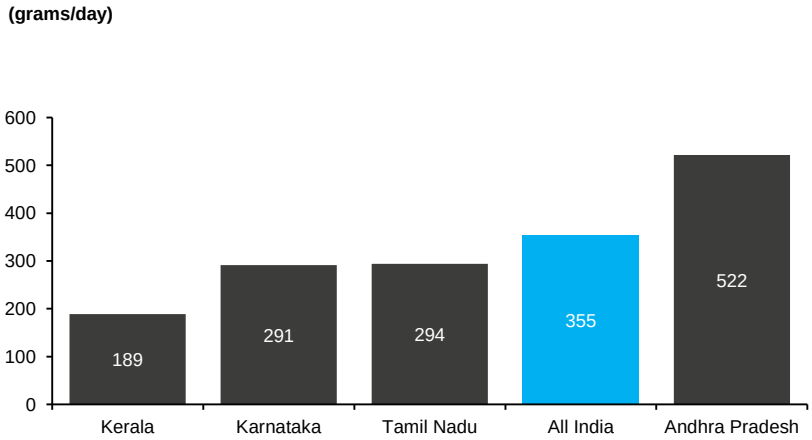
Source: NDDB, CRISIL Research

**Telangana and Andhra Pradesh are clubbed up to 2013-14*

In southern region, per capita availability of milk is highest in Andhra Pradesh

In 2016-17, Andhra Pradesh had the highest per capita availability of milk (522 gm/day) among all the southern states, well above the national average of 355 gm/day. Cow milk production is dominant in the state, hence availability of milk is almost throughout the year. Further, increasing use of cross breeds has boosted milk production in Andhra Pradesh compared with other states. Per capita availability of milk in other key southern states such as Tamil Nadu and Karnataka was slightly below the national average and in the range of 290-295 gm/day.

Per capita milk availability in southern states (2016-17)



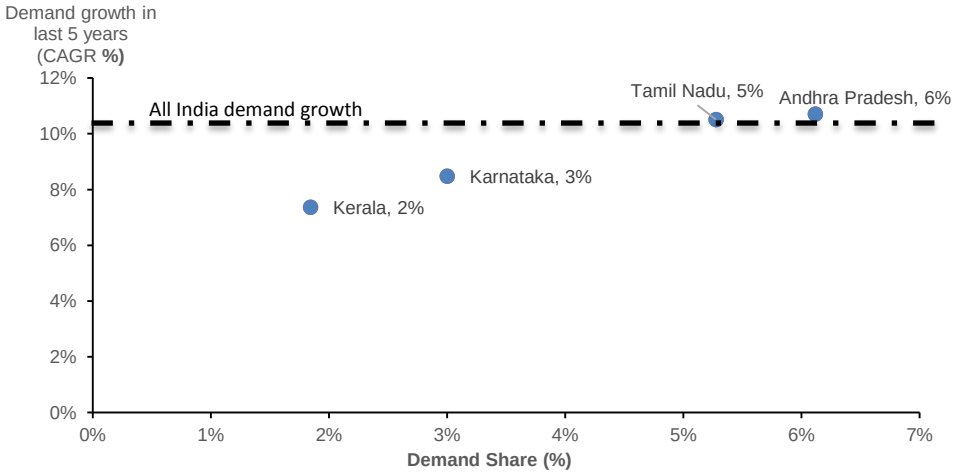
Source: NDDB, CRISIL Research

Southern states account for 17% of overall dairy consumption; significant variation in region-wise consumption pattern

The dairy industry is characterised by significant differences in consumption pattern across states. While liquid milk accounts for the lion's share of consumption across the board, the choice of value-added products varies significantly by region. For example, NSSO data for 2011-12 indicates that the per capita consumption of curd in the southern states is significantly higher than the national average of ₹17 per person per year. Similarly, the consumption of paneer is higher in the northern states.

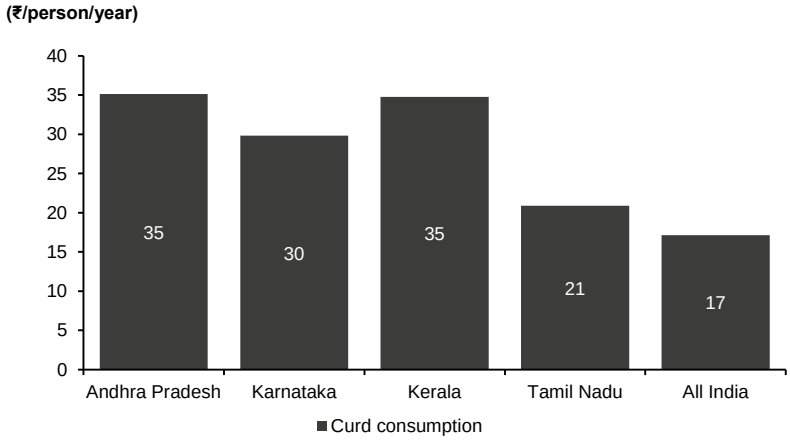
Cumulatively, CRISIL Research estimates Andhra Pradesh (including Telangana), Tamil Nadu, Karnataka and Kerala have a 17% share in overall consumption of milk and dairy products in India, with Tamil Nadu and Andhra Pradesh having a share of more than 5% each. Increase in demand in Andhra Pradesh and Tamil Nadu has been higher than the national average of 9.8% over the past five years.

Southern states – demand growth and share



Source: NSSO reports, industry estimates, CRISIL Research

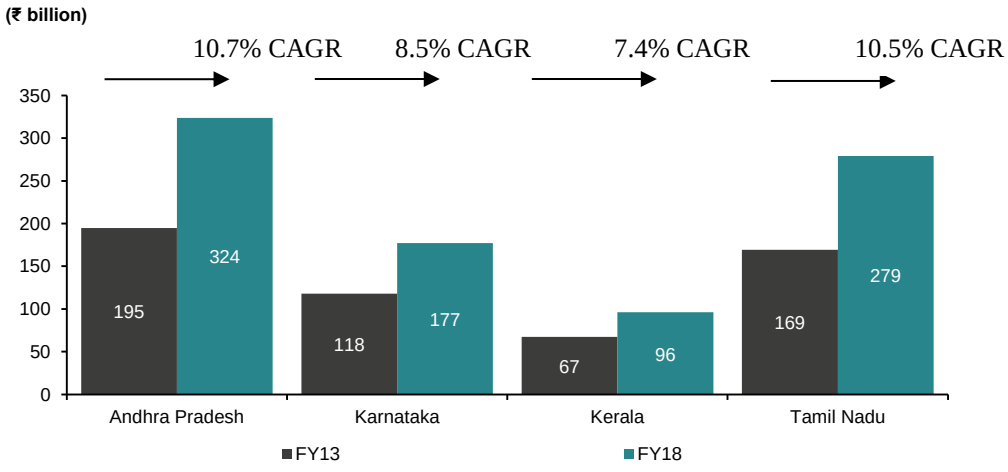
Expenditure on curd is higher in southern states



Note: Data pertains to 2012

Source: NSSO reports, industry estimates, CRISIL Research

Dairy demand growth in southern states



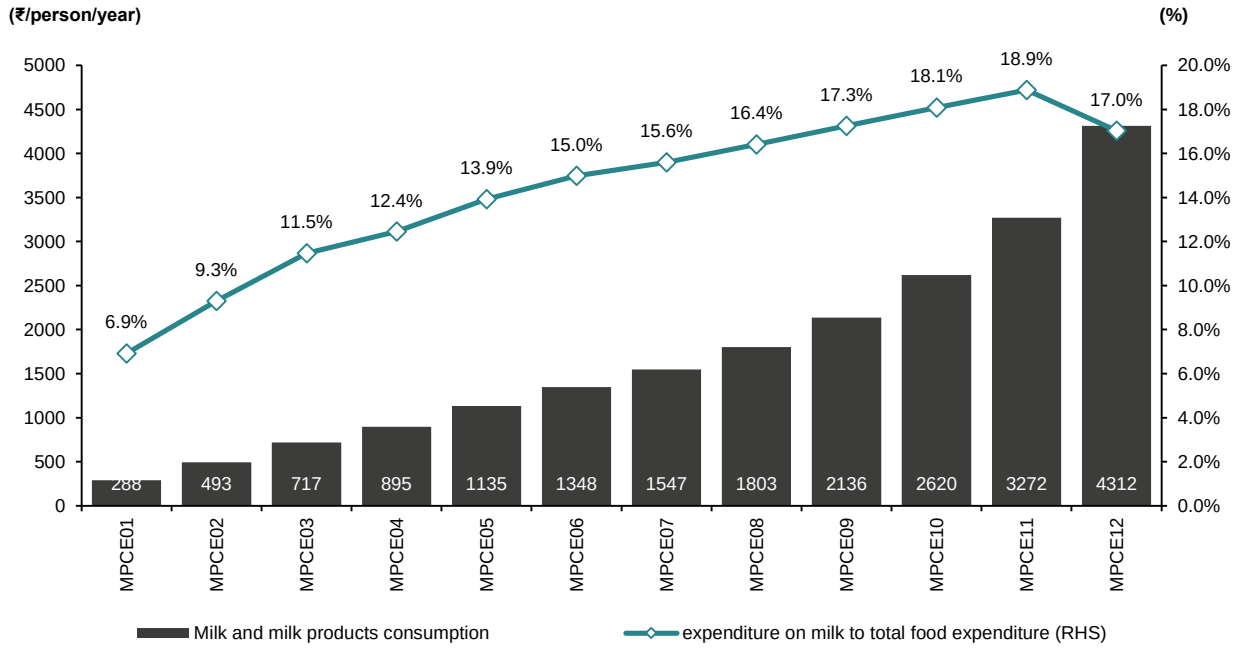
Source: NSSO reports, industry estimates; CRISIL Research

Strong growth potential in future with rise in incomes

As stated earlier, CRISIL Research forecasts the pace of revenue growth in India's dairy industry will accelerate and clock 12-13% CAGR over the next five years. Our analysis of income demographics and interactions with market participants indicate that growth rates in the southern states will also be as strong as or a tad higher than the pan-India average, given the structural growth drivers and evolution of the market. Accordingly, we estimate a CAGR of 13-15% over the next five years for the dairy industry in the southern region.

As indicated by NSSO (2012) data shown in the graph below, monthly expenditure on milk and milk products tends to increase as households move up the income spectrum. Additionally, expenditure on milk and milk products as a proportion of total food-related expenditure also increases as income rises. This can be attributed to households spending more on value-added products apart from liquid milk, as their incomes rise. To benefit from this trend, large dairy players in southern India with strong B2C presence have been regularly investing in enhancing their milk processing capacity and the portfolio of VADPs.

Spend on dairy products directly correlated to income



MPCE: Monthly per capita expenditure

Note: Data for all-India pertains to 2012, MPCE01 denotes households in lowest income

group while MPCE12 denotes households in the highest income group.

Source: NSSO reports, industry estimates, CRISIL Research

South Indian dairies enjoy superior cash conversion cycle

The Indian dairy market landscape varies considerably as we move across the country. For example, it is observed that players in the northern and western regions have a greater focus on the liquid milk and SMP segments as well as ghee, paneer, and butter amongst VADPs. Players in these regions tend to convert excess milk production into SMP during periods of excess milk production and vice-versa. In comparison, players in south India have a relatively stronger focus on fluid milk and other fresh VADPs such as curd. These differences can primarily be attributed to the strong well entrenched presence of cooperatives in the liquid milk segment in Maharashtra and Gujarat as well as dominance of buffaloes (whose milk yield is higher during winters) in milk production in the northern states. In addition, there are differences in consumer tastes and preferences, with consumers in the south preferring curd over paneer.

The variations in product profile and segment focus are also reflected in the financial performance of private dairies with presence in these regions. Owing to greater focus on short shelf life products (liquid milk and curd) relative to their counterparts in other regions, we observe that players in the south have a much lower cash conversion cycle (20 days vis-à-vis 92 days for players based in the north and west). The lower cash conversion cycle reflects lower inventory days (as fresh dairy products cannot be stocked for long) and receivable days (owing to quicker payments from trade channels and customers).

Industry profitability

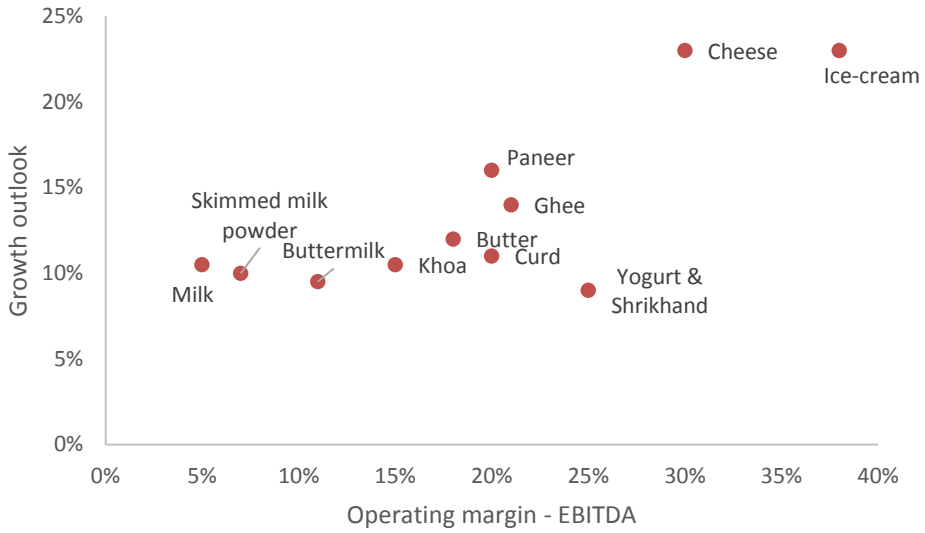
Muted rise in raw material prices and rising share of VADPs to aid margin expansion

The profitability of dairy players depends primarily on milk prices in a particular region and the extent of value addition. Players are able to pass on the rise in milk prices to consumers, depending on their brand strength, product portfolio and demand in the region.

The industry's operating (EBITDA) margin is projected to improve in the short to medium term as players focus on cold storage to increase the shelf life of products. EBITDA margins of dairy players are expected to improve in FY19 by 100-150 bps as the pan India milk procurement prices are expected to remain stable on the back of higher milk production and forecast of normal monsoon. Milk demand from private players and cooperative players is expected to remain stable, putting a downward pressure on milk procurement prices.

The portfolios of larger players typically comprise a sizeable share of VADPs. Therefore, they are able to partially pass on any rise in raw material cost (raw milk) to end consumers. However, the extent of pass-through depends on the nature of competition in individual segments. The low value-added processed product space such as pasteurised milk, curd, and buttermilk is dominated by local players, thereby competition is intense in these products. However, organised players dominate the value-added segment – yogurt, paneer, cheese and ice cream – and, hence, have significant pricing power.

High proportion of VADPs tends to earn better EBITDA margins



Source: Industry, CRISIL Research

The industry's working capital days are, on average, 25-30 days. While fluid milk, curd and buttermilk cannot be stored for more than 1-2 days, VADPs have a longer working capital cycle and higher short-term working capital requirement. Also, as milk availability is seasonal but demand is throughout the year, companies convert milk to SMP and freeze it. VAPs such as butter and cheese have longer shelf lives.

Investments in the dairy sector

The past 3-5 years have witnessed considerable investment in the Indian dairy sector by cooperatives as well as private players. Further, the industry has seen the entry of foreign investors as well as interest from foreign dairy players. Estimated capital expenditure of ₹74 billion was deployed in the past 3-5 years, of which ~₹17 billion was in the southern states. The private sector is estimated to have invested nearly ₹4 billion in the south during the period.

Significant investments are expected in the coming years as well, owing to rising demand. A major part of these investments is expected for setting up processing capacities. Investments for strengthening the procurement, distribution and marketing networks are also expected to rise.

Critical success factors for dairy players

Procurement network to directly source milk from farmers

Dairy players procure milk either directly from farmers or through agents. In the case of milk procured through agents, players have limited control over the quality of milk supplied and also tend to have issues with the consistency in quality of milk. Therefore, the more progressive players are increasingly opting for direct procurement of milk from farmers.

Companies with a strong network of farmers supplying milk enjoy steady availability of milk and consistency in quality, as they procure fresh milk. Consistency in milk quality is critical to manufacture VADPs with consistent taste. Strong ties with farmers also ensures steady prices of milk through all seasons. Moreover, it helps eliminate agent costs.

Given the low average animal holding per farmer (2-3 animals) coupled with low yield, setting up of a robust direct procurement network essentially involves connecting with a large number of farmers and necessitates proficient management skills and high discipline. Overcoming the challenges of direct procurement also involves relationship management with farmers, price negotiation, provision of adequate infrastructure, and proper training and technical support. Large players have invested in cultivating a network of farmers in their home regions, thereby creating strong entry barriers.

Captive or own farming

Similar to direct procurement, owning farming facilities gives more control to processors. Increased productivity, better quality of milk as well as stable milk supply are some advantages that own or captive farming offers players. However, additional expertise in cattle farming and more employees on roll are some factors that the processors need to deal with. This model is prevalent in developed economies such as the US and the EU. In India, own farming facilities are more popularly used for in-house research and enhancement activities.

Wide distribution network

Many small dairies have limited distribution network within their region as they lack the transportation and storage facilities for expansion. However, national players enjoy higher revenue and higher margin owing to large sales volume with a wide distribution network. Large companies are able to achieve this by setting up warehouses and storage facilities in key consuming regions, and they also have tie-ups with transportation companies for timely delivery of products.

Proper combination of liquid milk and VADPs in product mix

While processed milk accounts for the largest proportion of revenue for dairy players, EBITDA margin in this segment is comparatively low. On the other hand, VADPs and a diversified portfolio help mitigate seasonal risks and significantly improve blended margins. However, as production of VADPs involves higher capex, it can pull down RoCE, especially in the initial few years. Therefore, it is important for a dairy to maintain the right mix of milk and VADPs to balance growth and profitability.

Higher B2C sales with strong branding

Rising consumption of VADPs is seeing players expand B2C sales as they can easily pass on the rise in material cost in the B2C channel. To achieve B2C sales, it is important to build a strong distribution network to ensure quick delivery and proper storage of products as dairy products are highly perishable. Also, extensive investment is required in marketing and branding to achieve high sales volume. Many dairy players have established a national presence and built a strong brand to ensure sustainable growth or to command a premium over competition.

Processing infrastructure

Owing to the perishable nature of the product, presence of adequate processing infrastructure such as bulk milk coolers, milk chilling centres, cold storages, etc. is paramount. The success of dairy players depends on effective utilisation of these facilities, given the huge fixed cost associated with the facilities, in terms of initial investment as well as during operations.

High quality of products

Milk and dairy products are mainly consumed for health and nutrition. Hence, it is important for companies to provide fresh and good quality products to maintain reputation and sales. With rising health consciousness, consumers are increasingly becoming quality conscious and do not hesitate to pay a premium for superior quality of products.

Ability to manage input costs

Ability to efficiently manage rise in cost of inputs, such as power, labour and packaging materials, is critical as the company moves up the value chain. Packaging cost has a larger share in the overall manufacturing cost of higher VADPs as companies rely on extensive packaging not only to extend the product's shelf life but also to premiumise the products to fetch better margins.

Challenges for dairy players

Players in the milk and dairy products industry face several risks. One of the risks is price uncertainty at both ends of the value chain as well as the low shelf life of the core product. Another challenge for private processors is competition from state cooperatives. To mitigate these challenges, strong inter-linkages among the existing stakeholders, an evolving strategy, a lean business model to quickly adapt to situations, and use of technology have become essential.

Players operating in the dairy and milk products industry in India face the following risks:

Volatility in milk prices

Adverse environmental conditions such as weak monsoons usually push up prices of major crops that are used as fodder and feed for cattle. This affects productivity of milch animals, leading to a sharp rise in milk prices. Although cattle-related diseases have not been a major issue in India so far, the dairy and milk products industry remains exposed to this risk (more visible in global markets). Corporates can help mitigate this risk by providing knowledge and training to dairy farmers about proper healthcare and hygiene of milch animals.

Seasonal supply of milk in most parts of India

In 2016, almost half of the milk (~49%) in India was produced by buffaloes which made up ~34% of the milch animals. Buffaloes typically have higher milk yield during winters than during summers (wherein milk production drops to a third) owing to harsh weather conditions and low availability of fodder. This results in seasonal supply of milk. Players usually mitigate this risk by converting milk into SMP during winters and then using the SMP to convert it into milk during summers to maintain milk supply to their markets.

Sharp rise in MSP of major crops which constitute feed and fodder for cattle

A sharp rise in the MSP of major crops such as jowar, bajra, maize, wheat, paddy and sugarcane results in a proportionate rise in the prices of feed and fodder for cattle. Farmers pass on these hikes in the form of increase in price for milk. This poses a major risk for companies, as they might not be able to completely pass on the rise in milk prices to end-consumers. Companies can partly control raw material cost by backward integrating (tying up with farmers) and provisioning quality fodder.

Perishability of products

As milk is a highly perishable commodity, its storage even for 2-3 days requires adequate chilling infrastructure and cold storage facilities. The cost associated with this is very high and, thus, becomes a challenge for players in the event of an inventory pile up. Ability to produce products using superior technology, availability of cold storage facilities across geographies, and use of packaging materials that can increase shelf life can help companies mitigate such risks.

Dominance of stronger cooperatives limiting pricing power of private players

As cooperatives account for 50-55% share of the organised dairy industry in India and operate with an objective of maximising farmer remuneration, we understand that their dominance in the industry limits the pricing power of private companies. Few companies have mitigated this risk by backward integrating and procuring milk directly from farmers in regions where the cooperatives do not have a large presence. Also, with the rising prominence of private players and affluence of the consumer, the severity of this risk is gradually decreasing.

Aggression of the cooperatives in the high-margin VADP space might pose a challenge to private players, and result in stiff competition in some products and markets. Combined with an established brand, the rising presence of cooperatives in VADPs could shrink margins and lower returns on associated investments.

Supply-side fragmentation limits scale of operation

The supply side of milk and dairy products in India is highly fragmented. In India, ~72% of households have only 1-2 milch animals each. Also, the per annum yield of milch animals (cow yield is 1.2 tonnes per animal and buffalo yield is 1.7 tonnes per animal) is much lower than other milk producing nations such as the US, Germany, New Zealand, etc. Fragmentation also prevents multinationals from entering the Indian market unless they set up a strong, fully integrated procurement system.

Various corporate players have gone in for backward integration to ensure uninterrupted supply of consistent quality milk through educating farmers, providing veterinary services, quality cattle feed, etc. Thus, we believe that fully integrated players across the value chain have a strategic procurement advantage and, thus, a competitive edge.

Government policies and their impact on the dairy industry

The Government of India (GoI) has been instrumental in the dairy sector's growth, by way of timely policy intervention that has aided stakeholders in the dairy value chain. The dairy industry enjoys priority sector status and also receives government support in the form of subsidies and duty exemptions.

The government's focus has also been on enhancing the welfare of farmers. National Dairy Plans 1 and 2 and Operation Flood benefitted small and marginal farmers as attractive prices offered by cooperatives encouraged dairy farmers to shift from indigenous cows to high-yielding cross-bred cows, thereby increasing milk supply and consequently their income. Setting up of support infrastructure such as cattle feed plants by cooperatives, training programmes, and government initiatives such as breeding centres and veterinary centres have led to further increase in milk production.

Summary of key government schemes for the dairy industry

Scheme/parameter	Brief details
Tax exemption	For dairy units started after FY09, 100% tax exemption for the initial five years of operation, post which 25% (30% in case of a company) for the next five years under Section 80 1B (11A) of Income Tax Act, 1961. This is not applicable to units formed by splitting up or by way of reconstruction of business.
Scheme for integrated cold chain and value addition infrastructure	The objective of the scheme is to provide integrated cold chain, preservation and value addition infrastructure facilities without any break, from the farm gate to the consumer in order to reduce losses of horticulture and non-horticulture agricultural produce. Maximum grant-in aid allowed is ₹100 million per project.
Priority lending status	The sector has this status since 1999, resulting in low interest rates on borrowings for dairy projects.
Technology upgradation	The government allows subsidy up to 40% of the total cost in general areas and up to 50% in challenging areas for technology upgradation (subject to a maximum of ₹10 million).
FDI	100% FDI permitted in dairy products.
Import of equipment	5% customs duty on import of capital goods/machinery, including second-hand equipment.
Dairy Entrepreneurship Development Scheme (DEDS)	The Department of Animal Husbandry, Dairying and Fisheries (DAHD&F), GoI launched a pilot scheme - Venture Capital Scheme for Dairy and Poultry - in FY06 with the main objective of extending assistance for setting up small dairy farms and other components to bring structural changes in the dairy sector. In September 2010, a revised scheme - Dairy Entrepreneurship Development Scheme - was launched with improvements, such as setting up of modern dairy farms for production of clean milk and generating self-employment opportunities.
MRTP, FEMA regulations	Monopolies and Restrictive Trade Practices Act and Foreign Exchange Management Act have been eased to encourage investment and expansion by large corporates.
Creation of backward & forward linkages	The scheme was introduced to provide effective and seamless backward and forward integration in the food processing industry. Under the scheme, financial assistance is provided for setting up primary processing centres/collection centres at farm gate and modern retail outlets at the front end along with backward connectivity through insulated or refrigerated transport. A maximum of ₹50 million or 35% per project (provided only for technical civil work and eligible plant and machinery) of the eligible project cost for general areas/states and @ 50% for north-east states, Himalayan states, ITDP areas and islands.
National Mission on Food Processing	State governments will set up large-scale food processing units/parks and the Centre will provide technological and logistical support. The central government also plans to set up nodal agencies that will test the quality of dairy products and ensure that the food processing units register with it in order to operate.
National Livestock Mission 2014-15 (NLM)	NLM is an initiative of the Ministry of Agriculture and Farmers Welfare. The mission, which commenced in FY15, has been designed with the objective of sustainable development of the livestock sector through livestock development, feed and fodder development and skill development amongst others.

Source: CRISIL Research

Few key initiatives of state governments in Telangana, Andhra Pradesh, Tamil Nadu and Karnataka

Scheme/parameter	Brief details
Telangana	
Ksheera Viplavam initiative	In September 2017, the Telangana government announced a cash incentive of ₹4 per litre of milk to dairy farmers supplying milk to the state dairy federation. Further, the state government announced a subsidy programme for farmers to encourage buying buffaloes. Under this scheme, the beneficiary will be able to claim 50-75% subsidy (50% for general category and 75% for SC/ST categories) on purchase of buffaloes.
Area Development Scheme (ADS)	With the main aim of giving a fillip to flow of investment credit and augment farmers' income, the National Bank for Agriculture and Rural Development has prepared an ADS for five years, starting FY19, for all 30 districts in Telangana.
Telangana state food processing and preservation policy 2017	This policy aims to establish a vibrant ecosystem for food processing in the state. Further it aims at creating jobs, improve the GSDP through the food processing sector, and increase the fixed capital base of food processing industry by at least ₹100 billion by 2022.
Andhra Pradesh	
AP Food Processing Policy 2015 -2020	The policy was implemented with an aim to become the most preferred destination for the food processing industry. The policy aims to capitalise on the rich and diverse food production base of Andhra Pradesh to provide fillip to the sector. For the dairy industry specifically, the state government will provide capital subsidy of 35% for setting up of cold chain, up to a maximum of ₹50 million.
Karnataka	
Special livestock development plan	Under this programme, the subsidy is being provided to small, marginal farmers and agricultural labourers for cross-breed cows and buffaloes, rearing of calves, rearing of birds, pigs, sheep and goats.
Dairy development scheme	Falling under the NLM scheme, it aims to strengthen infrastructure for quality and clean milk production, develop dairy programmes for women, and provide incentives to milk producers.
Tamil Nadu	
State Fodder Development Scheme (SFDS)	The government implemented State Fodder Development Scheme in FY12 to reduce the demand-supply gap between feed and fodder through enhancement of production and efficient utilisation of available resources.
Drought mitigation measures	To avoid distress sale of cattle by farmers owing to severe drought situation, ₹780 million was allotted to Animal Husbandry Department for undertaking drought mitigation measures.

Source: NDDB, MOFPI, NABARD, various state government websites, CRISIL Research

Impact of demonetisation

Prior to demonetisation, the raw material cost (i.e. milk) and labour wages – which together account for ~80% of the overall cost – were typically paid for in cash. Cash crunch in the short-term post demonetisation led to delay in payments to farmers. This affected the feed for the livestock, resulting in a slight temporary fall in raw milk production.

The impact was felt more severely by smaller/marginal players than established ones as the latter typically have contractual procurement. Several large players were already making use of the banking system to pay farmers, and hence, demonetisation had minimal impact on the operations of such dairy companies. Similarly, cooperatives such Kerala Cooperative Milk Marketing Federation (KCMMF) and Gujarat Cooperative Milk Marketing Federation (GCMMF) were also able to avert the impact of

demonetisation owing to some quick measures taken. For KCMMF, since most farmers had bank accounts, which were set up mainly to collect the state government's subsidy given directly to the farmers under the Direct Benefit Transfer Scheme, they could easily shift from paying cash to transferring to the farmer's accounts.

VADP sales took a hit post demonetisation in both the organised and unorganised segments. Traditional milkmen were not large affected owing to the monthly nature of payment to them. However, sale of packaged milk took a hit during the initial few days of demonetisation, with normalcy restored within a short period.

Post demonetisation, numerous dairies have adopted the banking system to pay farmers. This route of payment is expected to minimise mistakes owing to human intervention, eliminate the cost of middlemen and aid prompt payment to farmers.

Impact of GST on the dairy industry

GST implementation had a marginal to neutral impact on the fluid milk segment. However, depending on the region, some VADPs such as ghee faced an adverse impact.

Broad overview of the impact of GST on dairy products

Scheme/parameter	Overall impact	Old rate on final product*	GST rate on final product
Overall dairy industry	⇔	0-15%	0-12%
Malted milk	⇔	VAT: 5%	5%
Butter	⇔	VAT: 12.5-15%	12%
Cheese	⇔	VAT: 12.5%	12%
Ghee	⇩	VAT-5.5-15%	12%
Milk and cream	⇔	Nil	Nil
Milk food for babies	⇔	Nil	Nil
Milk powder, UHT milk, skimmed milk, yogurt	⇔	VAT: 5%	5%
Ice cream	⇩	16.5%	18%

**Old rate on final product includes excise, VAT, etc.*

Source: CRISIL Research

Fluid milk as well as some VADPs such as buttermilk, lassi and curd, which form 3-4% of the overall industry in value terms (FY18), are exempted from the GST regime. Ice cream has felt a marginally negative impact. This is because pre-GST, most states attracted a 2% central excise (without CENVAT credit) and 14.5% VAT, adding up to 16.5%. However, ice cream now falls under the 18% GST bracket.

Ghee, which is one of the most prominent VADP (~16% value share in the industry in FY18), was adversely impacted in the north Indian states where 5% VAT was charged pre-GST compared with the current GST of 12%. However, players in south India received a marginal benefit of 2.5% as previously 14.5% VAT was charged. Therefore, in south, most players have passed on this benefit to their customers.

Comparison of private players in the dairy industry in southern India

Owing to the perishable nature of milk and limited shelf life of most dairy products, the dairy industry is dominated by regional players - both cooperatives as well as private. The business model of cooperatives is different from that of private players since the former operates as a not-for-profit organisation with the primary objective of improving farmers' income.

Therefore, only private dairy players with a significant presence in southern region are considered for comparison. Further, we have considered only players having milk processing capacity of more than 10 LLPD as of March 2017. Accordingly, we have selected five players for comparison: Hatsun Agro Product Ltd, Heritage Foods Ltd, Tirumala Milk Products Pvt Ltd, Dodla Dairy Ltd and Creamline Dairy Products Ltd (in the order of FY17 revenue).

Comparison on operational parameters

Particulars	Hatsun Agro Product Ltd	Heritage Foods Ltd	Tirumala Milk Products Pvt Ltd	Dodla Dairy Ltd	Creamline Dairy Products Ltd
Milk procurement (LPD) – FY17	2.7 mn	1.0 mn	NA	1.0 mn	0.6 mn

Particulars	Hatsun Agro Product Ltd	Heritage Foods Ltd	Tirumala Milk Products Pvt Ltd	Dodla Dairy Ltd	Creamline Dairy Products Ltd
Milk processing capacity (LPD) – FY17	NA	1.5 mn	NA	• India – 1.2 mn • Uganda – 40,000	1.2 mn
Procurement reach/network	320,000+ farmers across 13,000 villages	300,000+ farmers across 8 states	NA	250,000+ farmers across 7000 villages	NA
Chilling centres	NA	147 bulk coolers, mini chilling and chilling centres	NA	72+ chilling centres	~119 chilling centres
No of plants	16	15	9	11	9
Brands	• Arun Icecreams • Arokya Milk • Hatsun • Ibaco • Santosa • Oyalo • Aniva	• Heritage • Dairy Life • Dairy Pure	• Tirumala • Lactel Sshup	• Dodla • Dairy Top	• Jersey

Note: NA - Not available

Source: Company website, annual reports and filings, CRISIL Research

Key observations

Amongst the players for whom data was available, Hatsun Agro Product Ltd was the largest in terms of milk procurement (2.7 million litres per day as of FY17), followed by Heritage Foods Ltd and Dodla Dairy Ltd, both of whom procured around 1 million litres per day. Although all players market their products, especially products with a long shelf life, in multiple states, their procurement base is normally limited to regions where they have a strong connect with farmers nurtured over the years. For example, Dodla Dairy Ltd's strong areas for milk procurement are Andhra Pradesh, Karnataka, and parts of Tamil Nadu and Telangana.

In terms of the number of plants, Hatsun Agro Product Ltd has the maximum number of plants (16), followed by Heritage Foods Ltd (15) and Dodla Dairy Ltd (11). Players generally set up plants close to procurement centres and in areas where they have a strong market presence on the demand side.

Financial comparison

Particulars (FY17)	Hatsun Agro Product Ltd	Heritage Foods Ltd	Tirumala Milk Products Pvt Ltd	Dodla Dairy Ltd	Creamline Dairy Products Ltd
Revenue (₹ mn)	41,997	26,429	19,462	14,415	10,093
Revenue CAGR FY14-FY17 (%)	19.0%	15.3%	7.2%	19.6%	8.4%*
Contribution from VADPs (%)	35%	23%	NA	33%[&]	21%
Gross margin (%)	27.4%	21.9%	27.0%	21.3%	20.8%
Average gross margin (%) FY14-FY17	26.6%	20.9%	25.9%	20.4%	22.0%[#]
EBITDA margin (%)	9.0%	5.3%	8.5%	6.2%	5.5%
Average EBITDA margin (%) FY14-FY17	7.9%	5.1%	7.7%	5.4%	5.0%[#]
PAT (₹ mn)	1,340	668	1,092	439	260
PAT margin (%)	3.2%	2.5%	5.6%	3.0%	2.6%

**CAGR FY15-FY17; **Average over FY16-FY17; [#]Average over FY15-FY17, [&]as per rating rationale dated October 2017;*

Note:

1) All figures are calculated based on information available in public domain

2) *For Hatsun Agro Product Ltd, standalone figures are considered since the company does not have a subsidiary*

3) *For Heritage Foods Ltd, the figures are for the entity before de-merger, i.e. FY17 figures are taken from the annual report of FY17*

4) *For Tirumala Milk Products Pvt Ltd and Dodla Dairy Ltd, standalone figures are considered for FY14 and FY15 since consolidated figures are not available. For FY16 and FY17, consolidated figures are considered*

5) *For Creamline Dairy Products Ltd, consolidated figures are considered*

Key observations

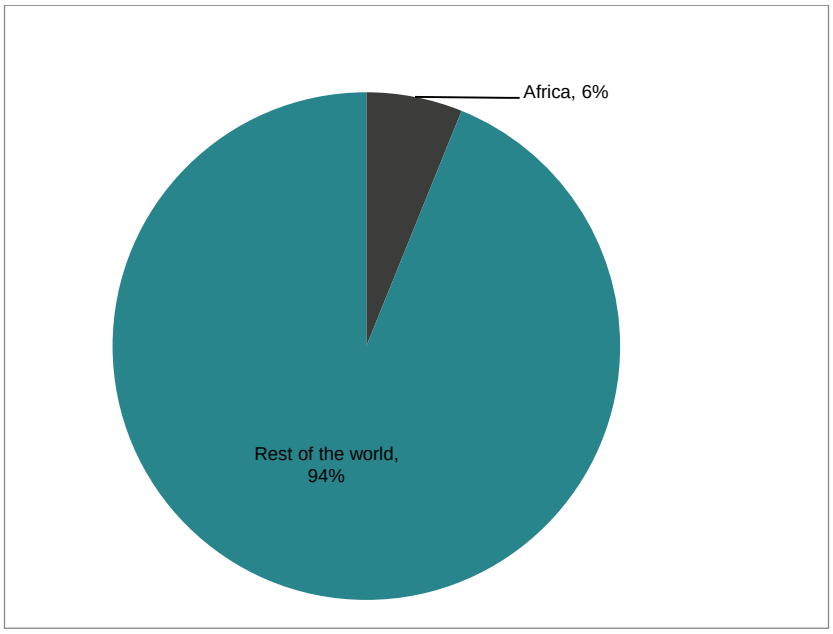
Among the above players, Hatsun Agro Product Ltd is the largest in terms of FY17 revenue. Hatsun Agro Product Ltd and Dodla Dairy Ltd had a higher proportion of dairy business revenue emanating from value-added products, at 35% and 33% respectively, in FY17.

Over FY14-17, Dodla Dairy Ltd's revenue grew at the highest CAGR of 19.6%, followed by Hatsun Agro Product Ltd (19%) and Heritage Foods Ltd (15.3%).

Overview of the African dairy industry

In Africa, the dairy industry is less developed. Africa contributes nearly 5-6% of world milk production. It has registered mild growth in the past owing to low level of awareness and training coupled with lack of necessary infrastructure for milk production and processing. However, the landscape of dairy industry is changing fast in the region as it has been gaining traction from producers from within as well as around the world owing to attractive opportunities, especially in east and sub-Saharan Africa. In Uganda, for example, the quantum of milk processed is estimated to have increased to 30% from around 20% in 2014. This increase is indicative of the opportunity for organised players.

Share of Africa in global milk production



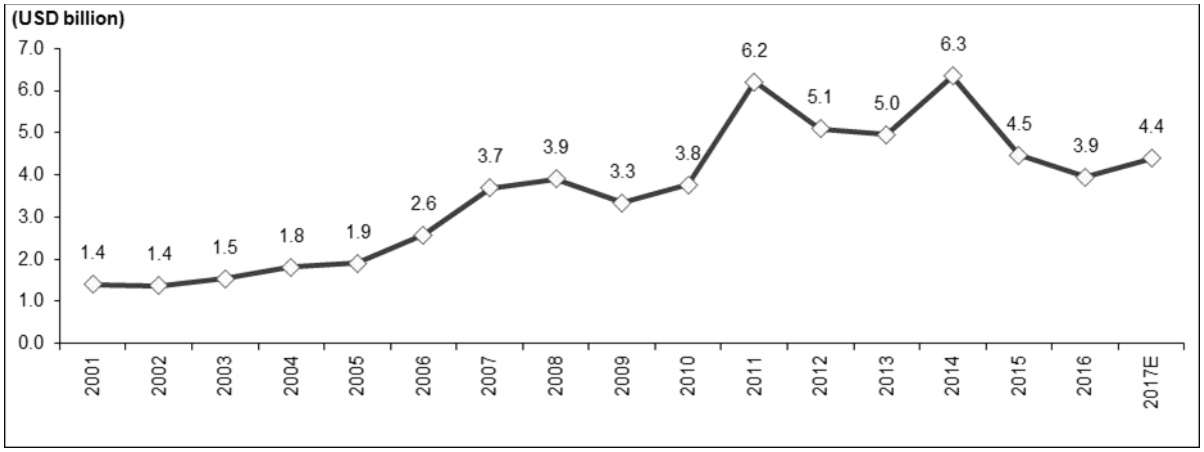
Source: FAOSTAT 2016

The African dairy industry has a tremendous potential for growth

Milk production in Africa had been stable over 2011-16. At the end of this period, milk production reached ~49 million tonnes. Despite having nearly 21% of world's cow and buffalo population (or 26% of cow population), which accounts for majority of the global milk production, Africa contributes only ~6% of global milk production. Milk production in Africa increased at 3.3% CAGR from 1990 to 2016.

During 2017, Africa is estimated to have imported dairy products worth nearly US$4.4 billion from across the world to meet the local demand. High import of milk and dairy products indicates huge existing demand in the African continent along with a short supply in the local market.

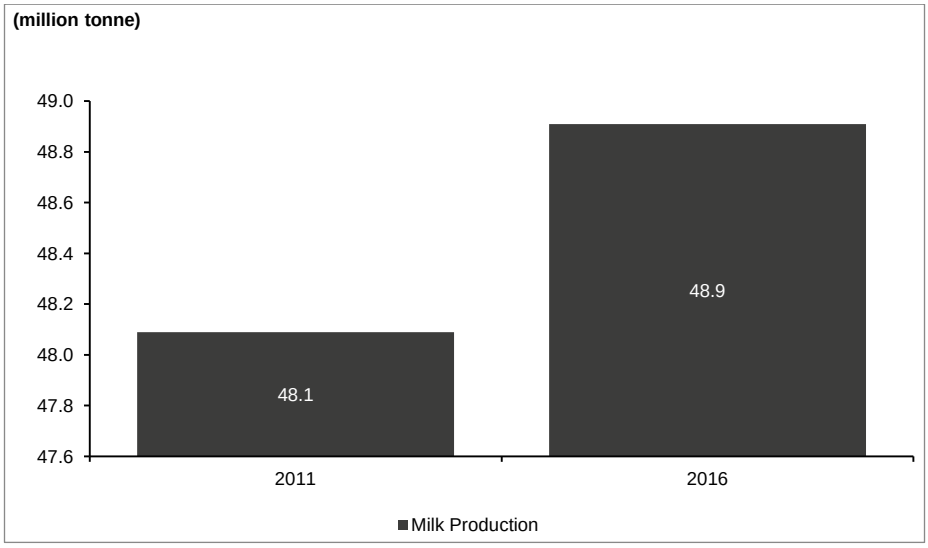
Milk and dairy products imports in Africa



Source: ITC trade map

High population of milk animals coupled with low production of milk and high dependency on imports are indicators that the dairy industry in Africa has tremendous potential for growth which can be realised with improvement in milk yields, investments in processing, and supply chain and logistics infrastructure within African nations.

Milk production in Africa



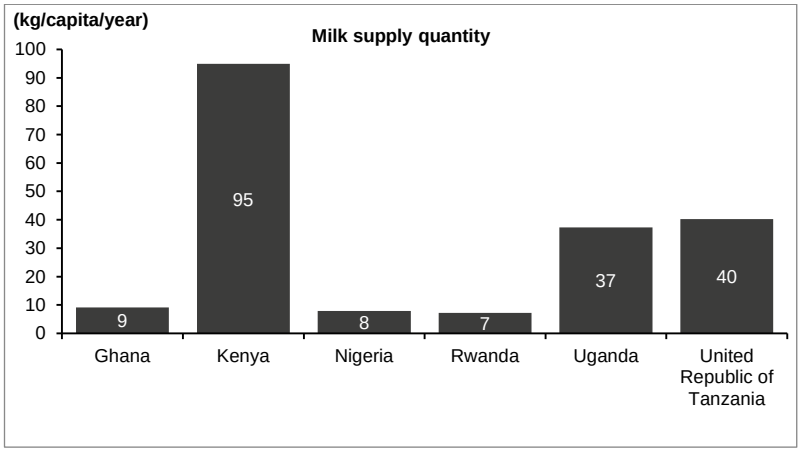
Source: FAOSTAT 2016

Nearly two-third of the total milk production of Africa comes from the eastern region – Kenya, Uganda and Tanzania – with the highest cattle population. With improving yields as a result of improving breeding and better infrastructure for milk collection, this region is expected to witness a rise in milk production as well as consumption.

Per **capita milk consumption is low in African nations**

Kenya has the highest per capita consumption of milk amongst the east African countries, 80-100 litres a year. In other major producers such as Tanzania and Uganda, PCC falls to 40-45 litres a year. This is way below many of the developed countries in Europe, Russia and America. Low PCC indicates huge potential for growth in these countries with demographics changes.

Per capita milk supply in east African nations



Source: FAOSTAT 2016

Growth drivers of the east African dairy industry

Growth in the east African dairy industry is expected to be driven by the following factors:

1. ***Abundance of cattle and grazing land* –** Availability of large grazing lands make feed easily available for the large animal population in Africa and, thus, makes milk farming easier. Easy access to quality feed, which otherwise is a large component of input costs for a farmer, at low cost is one of the key factors aiding the growth of the sector.

2. ***Growing interest of global milk processors* –** The dairy industry in east Africa is attracting global processors owing to exhaustion of opportunities in European countries, Russia (owing to restricted entry) and Asian countries (***owing*** to self-sufficiency). The huge market potential and unavailability of other investment destinations make Africa a good opportunity for processors across globe.

3. ***Superior profitability* –** Owing to weak competition, low cost of production and constrained supply of processed milk, dairy players' margins are higher in Africa than in other major markets which is also attracting investments in Africa by global milk processors.

4. ***Imports by other African countries* –** While the dairy sector in eastern and southern Africa is well established, western and central Africa remain highly dependent on imports for finished dairy products as well as fluid milk. Demand from western and central African nations makes east Africa a potential market for growth.

Challenges to the African dairy industry

Uneven production patterns have been a growth dampener for the dairy sector in Africa. Plagued by issues such as uneven rainfall, social security, political instability and various such macro as well micro factors, the continent has been witnessing stagnant production volumes in the past few years. Some specific challenges faced by the African dairy industry are as follows:

1. ***Poor infrastructure* –** Dairy products have a low shelf life and their management requires cold storage and transport facilities, state-of-the-art collection centres, organised distributor networks, and various quality checks at all stages to minimise loss. Africa lacks public infrastructure facilities such as modern roadways, and connectivity near farmlands and from processing capacities to end consumers.

2. ***Low yields and lack of advanced techniques* –** Owing to lack of technological advancement and awareness, milk yields are comparatively low. This is also because of lack of better breeds and cross-breeding techniques in the countries.

3. ***Disruptions from extreme events and outbreak of diseases owing to poor hygiene* –** High dependence on rainfall and the uncertainty that comes along with it, and lack of technology adoption for adequate water ***distribution*** are the major reasons behind stagnant production across eastern Africa. As per FAO, regions in Africa have struggled to increase their production and have stagnated due to either flood or draught like situation.

Incidence of diseases such as foot and mouth in cattle in some parts of Africa has also dragged down production of milk and, in turn, other dairy products. Mortality and production losses owing to East Coast fever, lumpy skin, anthrax and similar other issues

have been prevalent in Kenya, Uganda and Burundi, as per some of the latest studies. Creating a more hygienic environment and better inventory planning will be major challenges for growth of the industry.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" beginning on page 13 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" beginning on page 14 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

You should carefully consider all the information in this Draft Red Herring Prospectus, including this section, "Risk Factors", "Industry Overview", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 14, 96, 184 and 300, respectively, before making an investment in the Equity Shares. In this section, any reference to the "Company" "we", "us" or "our" refers to Dodla Dairy Limited and our Subsidiaries and Associates on a consolidated basis, unless otherwise specified. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Information. Unless noted otherwise, some of the information in this section is obtained or extracted from CRISIL Report on our request.

We are an integrated dairy company based in south India deriving all of our consolidated revenues for Fiscal 2018 from the sale of milk and dairy based VAPs in the branded consumer market. Amongst private dairy players with a significant presence in the southern region, we are the third highest in terms of milk procurement *(Source: CRISIL Report)* with an average procurement of 1.00 million litres of raw milk per day as of May 31, 2018 ("**MLPD**") and second highest in terms of market presence amongst private dairies *(Source: CRISIL Report)*. Our operations in India are primarily across the four South Indian states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. Our international operations are based in Uganda and Kenya. Our Indian and international operations are undertaken under our brands "Dodla Dairy" and "Dairy Top" respectively. We process and retail milk (full cream, standardised, toned and double toned) and produce dairy based value added products ("**VAPs**") such as curd, ultra-high temperature processing ("**UHT**") milk, ghee, butter, flavoured milk and ice cream amongst others. Our revenues from sale of milk and dairy based VAPs constituted 68.41% and 31.59% of our consolidated revenues in Fiscal 2018 respectively.

Our integrated business model in India consists of procurement, processing, distribution and marketing operations. Our procurement operations are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka and consist of an average procurement of 1.00 million MLPD as of May 31, 2018 from approximately 220,789 farmers through 3,212 procurement agents including third party suppliers across 7,598 villages and through our own Dodla Dairy Collection Centres ("**DDCCs**") as of May 31, 2018. The raw milk collected is then transported to our chilling centres and thereafter to our processing plants. Our chilling centres are strategically placed in close proximity to our raw milk procurement locations in order to maintain the freshness of the raw milk. Our total average raw milk procurement increased from 0.62 MLPD in Fiscal 2014 to 1.02 MLPD in Fiscal 2018. As of May 31, 2018 our procurement operations consisted of 3,717 DDCCs, 3,212 procurement agents and 78 chilling centres. The number of our DDCCs has consistently increased from 322 to 3,544 from March 31, 2014 to March 31, 2018 respectively.

Our processing operations consist of processing of the raw milk collected into packaged milk and manufacturing of other dairy based VAPs by 11 processing plants with an aggregate installed capacity of 1.29 MLPD. Our aggregate installed capacity has increased from 0.57 MLPD in Fiscal 2014 to 1.29 MLPD in Fiscal 2018. Further, we intend to commence operations at our 12th plant near Rajahmundry, Andhra Pradesh in 2019. Our distribution and marketing operations consist of distribution of our milk and dairy based VAPs through 14 sales offices, 3,329 distribution agents, 379 milk distributors and 466 milk product distributors across nine states in India. Additionally, as of May 31, 2018, our milk and dairy based VAPs are also available through 217 "Dodla Retail Parlors" which commenced operations in 2016 and are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. Our processing plants are in close proximity to our milk procurement operations and our target market which enables us to optimise transportation and raw milk handling costs. For further details on our processing plants, see "*Our Business – Our Facilities*" on page 142.

We commenced our African operations in Fiscal 2015 with the acquisition of the operations of Hillside Dairy and Agriculture Ltd. through our Subsidiary Lakeside Dairy Ltd. For our international operations, we procure raw milk from cooperative societies and follow a similar integrated business model as our India operations. Packaged milk and dairy based VAPs for retail are produced from our processing plant in Uganda and are distributed in Uganda and Kenya. Our distribution operations in Uganda are conducted through our African Subsidiary Lakeside Dairy Ltd. and include distribution of our milk and dairy based VAPs as of May 31, 2018 through 21 distributors and four distribution agents. Our distribution operations in Kenya are conducted through our African Subsidiary Dodla Dairy Kenya Limited and include distribution of our milk and dairy based VAPs as of May 31, 2018 through 107 distribution agents and 34 distributors.

We place significant emphasis on quality control across our integrated business model and have obtained several quality control certifications and registrations for our operations. The raw milk procured by us is tested by electronic milk analysers which tests

for the fat and solid not fat (SNF) content of the raw milk and undergo further tests during the procurement stage. Our milk and dairy based VAPs have received certifications from the FSSAI. Some of our processing plants are ISO 22000:2005 certified for food management system and ISO 50001:2011certified for energy management system. Our Nellore processing plant is export inspection certified and BIS certified for SMP. Our processing plants situated at Nellore and Hyderabad, for producing ghee, are AGMARK registered and our plant at Nellore for production of milk powder, holds a BIS certification. Further, our processing plant in Uganda has obtained various quality certifications including, *inter alia*, Uganda National Bureau of Standards ("**UNBS**") permits for producing ghee, plain yogurt, strawberry yogurt, UHT milk and vanilla.

Our Company is promoted by Dodla Sesha Reddy and Dodla Sunil Reddy, who each have over 20 years of experience in dairy industry which have been instrumental in the growth of our Company. Further our CEO, Venkat Krishna Reddy Busireddy, has over 33 years of experience in the dairy industry. We have also been awarded a number of industry awards including the HMTV Business Excellence Award, 2017. For further details see "*History and Certain Corporate Matters*" on page 157. The RISE Fund, which is a social impact fund of TPG Growth, through TPG Dodla Dairy Holdigs Pte. Ltd. is invested in our Company. APIDC-Venture Capital and BR CPF (Mauritius) Limited were our shareholders in the past.

Our consolidated revenue from operations increased at a CAGR of 17.24% over Fiscal 2014 to Fiscal 2018 and amounted to ₹15,904.75 million in Fiscal 2018, while our consolidated EBITDA and profit after tax increased during the same period at a CAGR of 28.70% and 21.00% amounted to ₹1,113.64 million and ₹543.35 million in Fiscal 2018, respectively. Despite cumulative capital expenditure of ₹2,467.11 million over the past 3 years, towards *inter alia*, commissioning our new plants at Dharmapuri, Hyderabad and Rajahmundry and establishment of new DDCCs our return on equity and return on capital employed for Fiscal 2018 were at 17.42% and 23.07%, respectively.

Competitive Strengths

Consumer focused dairy company with a diverse range of products under the "Dodla Dairy" brand

We believe we have developed one of the leading brands in the dairy products industry in south India with strong consumer recognition, particularly in the States of Andhra Pradesh, Karnataka, Tamil Nadu and Telangana. We derived all of our consolidated revenues in Fiscal 2018 from sale of milk and dairy based VAPs in the branded consumer market. We are the third largest private milk company in south India in terms of procurement (*Source: CRISIL Report*) and second highest in terms of market presence amongst private dairies (*Source: CRISIL Report*). We offer a diverse portfolio of dairy based VAPs targeted at various consumer segments and this, we believe, enables us to cater to the changing preferences of our retail customers. We sell fresh milk, ghee, butter, curd, paneer and gulab jamun, doodh peda and junnu, which is targeted at consumption at home. We sell UHT milk, flavoured milk, ice-cream and beverages such as buttermilk under our brand, primarily for direct consumption. We also believe that the strength of our brands helps us in many aspects of our business, including expanding to new markets, entering into agreements with distributors and retailers and building relationships with our customers, investors and lenders.

Integrated business model with well-defined procurement, processing and distribution capabilities

Our integrated business model enables us to provide end to end capabilities from procurement till distribution and marketing in a cost efficient manner. The key components of our integrated business model are as follows:

- *Procurement* - Raw milk is one of the key raw materials for our business. Our procurement operations are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka and consist of procurement of on an average approximately 1.00 MLPD of raw milk from approximately 220,789 farmers across 7,598 villages through 3,717 DDCCs, 3,212 procurement agents and 78 chilling centres as of May 31, 2018. We procure raw milk either directly from the farmers and through third party suppliers. We believe that a robust raw milk procurement process is essential for our business to consistently procure quality raw milk for our operations. We also pay the farmers once every 10 to 15 days, with the money being sent directly to their bank accounts, which motivates them to engage with us more frequently. Our procurement of raw milk from DDCCs has increased from 7% in Fiscal 2014 to 49% in Fiscal 2018. For Fiscal 2018, our procurement of raw milk from DDCCs and procurement agents is 86.45%. As on May 31 2018, we operate more than 250 milk procurement routes. These routes have a regular procurement plan with timely pick up of raw milk from the DDCC and procurement agents and transportation to the nearest chilling centres. This enables us to preserve the freshness of the raw milk. The raw milk is thereafter transported to the nearest processing plant through tankers for onward processing into retail milk packages or manufacture of dairy based VAPs. The strategic location of our processing plants to our chilling centres and in turn of our chilling centres to our DDCCs and agents enables us to minimise the transportation and handling costs, without any loss in quality or nutritional value.

- *Processing* – Our processing operations are spread across 11 processing plants (nine of which are owned and two are leased) located in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu in India with an aggregate installed capacity of 1.29 MLPD, excluding a SMP plant with an installed capacity of 15,000 kgs per day. We regularly incur capital expenditure to upgrade technology across our processing plants and expand into new geographies by way of introduction of modern

automated plants. We have introduced fully automated processing lines. Our processing infrastructure is designed in a manner to ensure efficient operations and high product quality standards

- *Distribution and marketing* – We sell our products under the "Dodla Dairy" brand in India. As of May 31, 2018 we distributed our milk and dairy based VAPs through 14 sales offices, 3,329 distribution agents, 379 milk distributors and 466 milk product distributors. As of May 31, 2018, our products are also available through 217 "Dodla Retail Parlors" which are operated on a franchisee model and spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. Our total advertisement and distribution expenses for Fiscals 2016, 2017 and 2018 were ₹310.03 million, ₹424.77 million and ₹491.91 million respectively. We engage in various marketing and promotional campaigns in order to market our products such as undertaking, door to door campaigning for our products, bus brandings, local wall paintings, hoardings, signages, direction boards and kiosk promotions.

Focused engagement and long term relationship with dairy farmers

We believe our farmer friendly policies and continuous engagement with them with welfare programs have strengthened our relationships with farmers which in turn has strengthened our raw milk procurement process. We offer a variety of initiatives for the farmers from whom we procure raw milk. In order to ensure transparency, we test the quality and quantity of the raw milk procured by the farmers with electronic milk analysers. Our DDCCs are equipped with GPRS enabled milk analyzers and weigh scales which provide a transparent reading of quantity and components, as well as a receipt of the sale which helps farmers show cash flows and gain access to formal channels of financing. We pay the farmers once every 10 to 15 days with the money being sent directly to their bank accounts, which motivates them to engage with us more frequently. We also work with regional banks and facilitate sanctioning of loans to farmers which they utilise to invest in their cattle. We procure cattle feed on behalf of the farmers and pass on the price benefits of bulk purchase of such cattle feed to the farmers. We have recently tied up with various veterinarians to provide services to farmers for their cattle. We also organise various training camps with veterinarians for farmers to educate them about the best ways to prevent common ailments for their cattle. We believe our continuous engagement with farmers and our knowledge in the dairy industry combined with our welfare programs for the farmers have enabled us to have a strong procurement network in the regions in which we operate and thus helped us to contain the cost of raw milk and ensure supply of quality raw milk.

Stringent quality control procedures

We are committed towards quality and food safety of our products. Our determination towards quality and food safety is demonstrated by well-defined quality and food safety procedures at various stages from procurement to distribution of our products. We maintain a cold storage chain from the procurement stage till the time the milk and dairy based VAPs reach the consumer. All quality checks are documented in a quality manual to ensure that we only procure raw milk which meets our standards for further processing. Our DDCCs are equipped with GPRS enabled electronic milk analysers which test for the fat and solid not fat (SNF) content of the raw milk. We also conduct tests including for colour and smell which enables us to segregate poor quality of raw milk at our DDCCs. At our chilling centres we conduct adulteration tests and neutralizer tests. At our processing plants, the raw milk undergoes, adulteration tests and neutralizer tests to detect contaminants in the raw milk. We have received several quality certifications in relation to our products and our processing plants including certifications from the FSSAI for our products; the ISO 22000:2005 certification for our food management system, export inspection certification and BIS certification for SMP production for our Nellore processing plant, AGMARK registration for our ghee production facilities at Nellore and Hyderabad.

Financial Growth and operational efficiencies

We have delivered consistent growth over the last five financial years both in terms of financial and operational metrics. Our consolidated revenue from operations increased at a CAGR of 17.24% between Fiscal 2014 to Fiscal 2018 and amounted to ₹15,904.75 million in Fiscal 2018, while our consolidated EBITDA and profit after tax increased during the same period at a CAGR of 28.70% and 21.00% amounted to ₹1,113.64 million and ₹543.35 million as at Fiscal 2018, respectively. Despite cumulative capital expenditure of ₹2,467.11 million over the past 3 years, including, *inter alia*, towards commissioning our new plants at Dharmapuri, Hyderabad and Rajahmundry our return on equity and return on capital employed were at 17.42% and 23.07% for the Fiscal 2018, respectively. Further, our Receivable days were 0.58 days as on March 31, 2018 with our receivables amounting to ₹36.05 million as on March 31, 2018.

Experienced Board and senior management team

We are led by an experienced Board, who have extensive knowledge and understanding of the dairy business and have the expertise and vision to organically and inorganically scale up our business. Our Board led by our chairman, Dodla Sesha Reddy and managing director, Dodla Sunil Reddy have led the Company through the period of growth and also have taken initiatives to improve processes and efficiencies, implementation of enterprise resource planning system in the year 2000 and replication of our

India business model in Uganda and Kenya which led to our overseas operations turning profitabe. Further, post the investment by private investors into our Company since 2012, our Company has undertaken a number of initiatives such as, *inter alia*, formulating a future growth strategy, further strengthening our corporate governance standards, entry into new line of VAPs, internal processes and controls including migration to SAP and introducing KPI based formal appraisal systems for the management.

Our Board is supplemented by our senior and middle-level management team members. We believe that the knowledge and experience of our senior and middle-level management team in the dairy business provides us with a significant competitive advantage as we seek to grow our business. Our core managerial team has an average dairy industry experience of more than 20 years and most of them have been associated with our Company since our formative years. For further details of our key managerial personnel, see "*Our Management*" on page 174.

Our chairman, Dodla Sesha Reddy has been associated with the dairy industry for the past 20 years. Dodla Sunil Reddy, who is a Promoter of our Company and the Managing Director, has over 20 years of experience in the dairy industry. Our CEO, Venkat Krishna Reddy Busireddy, has over 30 years of experience in the dairy industry and leads the management team in all aspects of our operations and is also a lifetime member of the Indian Diary Association.

Our Strategies

Enhance our brand visibility and expand the reach of our products

We believe that our brands are recognised by our consumers given our presence across the south Indian markets for over 23 years and robust quality of our processed milk. We have a strong presence in the southern states of Andhra Pradesh, Karnataka, and parts of Tamil Nadu and Telangana (*Source: CRISIL Report*) and we have the third largest procurement network amongst private dairy companies in south India (*Source: CRISIL Report*) and second highest in terms of market presence amongst private dairies (*Source: CRISIL Report*). Further, presence across multiple VAPs such as curd, flavoured milk, ice cream, butter milk, ghee and butter has also enabled us to strengthen our brand visibility and we plan to leverage upon it to launch new value-added products. Going forward, we intend to increase our brand visibility by undertaking more advertisement campaigns through various mediums such as bus brandings and wall paintings. We have in the last fiscal also revamped our milk packaging so as to ensure better brand visibility. As part of our product outreach program, we intend to actively increase our distribution network and actively engage with hyper markets, super markets and retailers so that all our products become more accessible to our consumers. We also intend to increase the number of Dodla Retail Parlors in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu based on the existing franchise model.

Further strengthen our procurement and processing operations

Our current raw milk procurement operations are primarily dependant on dairy farmers as well as third party suppliers supplying us raw milk. These third party suppliers typically buy raw milk from other farmers and also charge us a commission on the raw milk procured by them. This results in increase of cost of our primary raw material, raw milk, and farmers being paid lesser for their produce by such third party suppliers. We intend to further reduce our reliance on third party suppliers by engaging with farmers directly. Our total average raw milk procurement through DDCCs increased at a CAGR of 83.03% from an average of 0.045 MLPD in Fiscal 2014 to 0.50 MLPD in Fiscal 2018. Accordingly, procurement of raw milk from DDCCs has increased from 7% in Fiscal 2014 to 49% in Fiscal 2018. This will enable us to reduce our costs of raw milk and keep our products competitively priced.

For our processing operations, we are identifying various strategic initiatives to improve our operational efficiencies and reduce operating costs. For example, we intend to continue (i) our automation as we expand across existing and new geographies; (ii) adopt more efficient production process to decrease milk reprocessing and reduce our water use; (iii) decrease our electricity consumption due to refrigeration by refining the current plant and machinery; and (iv) switch from conventional to non-conventional sources of energy. We are also investing in modern technology and equipment to address changing customer preferences as well as to improve operational efficiency. We continue to adopt best practices and standards followed in the Indian dairy industry across our production facilities and draw upon our management's expertise and experience in dairy plant management.

Expand our operations domestically and internationally by way of organic and inorganic growth

We intend to continue to grow domestically and internationally by way of organic and inorganic growth in order to increase our presence and our revenues. For our India operations, we have in the past grown both organically by setting up our own processing plants and inorganically by either acquiring processing plants or business units from third parties. We have acquired plants, including, in Fiscal 2016, a processing plant in Dharmapuri, Tamil Nadu which provided us access to the markets in central and southern Tamil Nadu. In Fiscal 2013, we acquired a 0.01 MLPD plant in Kurnool. We are also in the process of setting up of a

new 0.20 MLPD processing plant in Rajahmundry, Andhra Pradesh which will provide us access to the markets of coastal Andhra Pradesh. For our international operations, we entered into the markets of Uganda in Fiscal 2015 with the acquisition of operations of Hillside Dairy and Agriculture Ltd. by our Subsidiary Lakeside Dairy Ltd. Our entry in the Ugandan market allowed us to expand our reach to the East African markets. To complement our growth strategies of setting up processing plants and acquiring processing plants and businesses in markets where we see opportunities, we continuously evaluate further expansion through acquisitions in new underpenetrated markets in India. We also continue to assess further opportunities in markets abroad.

Increase our revenues from dairy based VAPs

Historically, sales of processed milk have been our primary revenue driver. In order to grow further and also increase margins, over the last few years we have focused on dairy based VAPs as they generate lower revenues but higher margins. We intend to supplement our revenues by increasing the sales of our VAPs and strike a balance between processed milk and VAPs to optimise our product portfolio. While our current product portfolio includes curd, we propose to introduce new variants of yogurt consisting of fruit flavoured yogurts to expand our product portfolio and reach a wider variety of consumers. We believe that our existing product portfolio is in line with and is capable of being altered with the changing dairy consumption habits and preferences. We have in the past five fiscals introduced products such as ice creams, extended shelf life milk and flavoured milk in pet bottles. Key drivers of our dairy based VAPs are curd, UHT milk, ghee, butter, flavoured milk, paneer, and ice creams for our Indian operations and liquid milk yogurt, ghee, paneer, cheese and UHT milk for our international operations. While revenues from milk grew at a CAGR of 14.40% from ₹6,346.6 million in Fiscal 2014 to ₹10,870.7 million in Fiscal 2018, our revenues from dairy based VAPs increased at a CAGR of 23.97% from ₹2,064.20 million in Fiscal 2014 to ₹4,875.80 million in Fiscal 2018. Curd was our primary revenue driver in dairy based VAPs where revenues increased at a CAGR of 35.23% from ₹906.66 million in Fiscal 2014 to ₹3,032.1 million in Fiscal 2018. Our average curd sales volume increased at a CAGR of 30.01% from 0.07 MLPD in Fiscal 2014 to 0.20 MLPD in Fiscal 2018.

Research and Development in dairy farming

We are committed towards implementation of scientific techniques in dairy farming and allied activities. Our research and development activities are focused towards increased productivity of cattle leading to production of quality and safe milk and milk products, through our Associate Company GVC. GVC focuses on breeding, nutrition and farm management, with the aim of leading farmers supplying raw milk towards increased productivity of raw milk.

Our research activities are divided into the following focus areas:

(i) **Genetic Research**- Investigation into genetic diversity and relationship between HF breed cows and varied India cattle breed to lead to improvement of dairy herd genetics that affect health, longevity and reproductive traits in cattle used for raw milk production.

(ii) **Breeding Research**- We undertake research to reduce the breeding cycle of cows and on related activities including semen selection for more productive cows.

Our Products

Consumer Products (India)

We offer a wide range of products in both liquid milk and allied VAP categories. Our India product portfolio under the "Dodla Dairy" brand includes the following

(a) Pasteurized pouch milk

Pasteurization is generally adopted to reduce the risks of disease from microbial growth while preserving the nutrients of raw milk. The following table provides the features of our pasteurized milk:

Pouched milk	Product Specifications
Full cream milk	Fat content: (min) 6%; SNF content: (min) 9%; and other features: homogenized, and pasteurized
Standardized milk	Fat content: 4.5%; SNF content: 8.5%; and other features: homogenized and pasteurized
Toned milk	Fat content: 3%; SNF content: 8.5%; and other features: homogenized and pasteurized
Double toned milk	Fat content: 1.5%; SNF content: 9.0%; and other features: homogenized and pasteurized

Our pasteurized pouch milk is sold in the states of Karnataka, Tamil Nadu, Andhra Pradesh and Telangana.

(b) UHT milk

Compared with our fresh milk products, our UHT milk products have a longer shelf life, are sold in special seven layer film packaging and do not require cold chain storage. Our UHT milk is sold in the states of Karnataka, Tamil Nadu, Andhra Pradesh and Telangana.

(c) Sterilized flavored milk

Our sterilized flavored 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.

(d) Curd (Dahi)

Our curd is made from pasteurized milk with selected strains of lactic acid bacteria and does not contain any preservatives. Our curd contains proteins, carbohydrates, fats, calcium, phosphorous, magnesium, zinc, iodine and vitamins. Our curd is packed in (i) cups of 100 gm, 200 gm and 400 gm; (ii) sachets of 100 gms, 180 gm, 200 gm and 500 gm; and (iii) buckets of 1 kg, 5 kg, 10 kg and 20 kg. Our curd is sold in the states of Karnataka, Tamil Nadu, Andhra Pradesh and Telangana.

(e) Butter

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.

(f) Clarified butter (ghee)

Clarified butter (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 ghee is sold in the states of Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, Madhya Pradesh, Gujarat, West Bengal and Rajasthan.

(g) Butter milk

Butter milk is sold in pouches and cups and is sold in the states of Karnataka, Tamil Nadu, Andhra Pradesh and Telangana.

(h) Lassi

Lassi is sold in cups. Our lassi is sold in the states of Tamil Nadu, Andhra Pradesh and Telangana.

(i) Ice creams

Our ice creams are available in 54 stock keeping unit ("**SKUs**") and are available in box, bars, cones and cups. Our ice creams are manufactured using only milk fat. Our ice creams are sold in the states of Telangana and Andhra Pradesh.

(j) Skimmed milk powder

Our skimmed milk powder is manufactured for captive consumption during the lean months for reconstitution and for making up SNF. Our skimmed milk powder is sold in the states of Karnataka, Andhra Pradesh, Telangana, Madhya Pradesh and Gujarat.

(k) Paneer

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

Our paneer is currently sold in the states of Andhra Pradesh, Tamil Nadu, Telangana and Karnataka.

(l) Milk based sweets:

In addition to the above, we also manufacture milk based sweets such as doodh peda, gulab jamun, basundhi and junnu. Our milk based sweets are sold in the states of Andhra Pradesh, Tamil Nadu and Telangana.

Consumer Products (Africa)

We offer a wide range of products in both liquid milk and VAP categories. Our Africa product portfolio is marketed under the "Dairy Top" brand and includes extended shelf life milk, yogurt with different flavours, ghee, paneer, cheese and UHT milk.

Our Facilities

India

We have 11 milk processing plants across the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu with a combined installed milk processing capacity of 1.29 MLPD. We are in the process of setting up a processing plant of capacity 0.2 MLPD near Rajahmundry, Andhra Pradesh. Our processing plants are strategically located and are in proximity to our target markets. We also have a SMP plant in Nellore with a capacity of 15,000 kgs and a UHT milk manufacturing facility at Indragi, Karnataka.

We have adopted advanced technologies and processes to ensure operational efficiencies. Our processing plant at Hyderabad is fully automated and centrally configured with progammable logical controller computer system. Our processing plants at Palamaner, Andhra Pradesh, Indragi, Karnataka, Dharmapuri, Tamil Nadu and Hyderabad, Telangana are automated.

Most of the motors used in our processing plants have variable frequency drives (VFD) to ensure energy efficiency. We also recover condensate from process steam and pump the same into the boilers, which increases the overall thermal efficiency of our processes. We have also installed homogenizers and separators and centralized cleaning in place (CIP) units within our processing plants. We have also implemented supervisory control and data acquisition (SCADA) automation systems at our processing plants to enable real-time monitoring of our operations, system modifications, troubleshooting, increasing equipment life and automatic report generation. We believe that these systems have contributed to significant savings on time and expenses by eliminating the need for personnel to visit each site for inspection, data collection, data entry or making adjustments.

Brief details of our processing plants are as follows:

Badvel, Andhra Pradesh

This processing plant commenced its operations in 2007. The processing plant processes milk and manufactures dairy based VAPs such as curd and butter milk.

This plant caters to the Cuddapah and Ananthapur districts.

Kurnool, Andhra Pradesh

This processing plant was acquired by us in 2013 pursuant to a sale deed dated October 31, 2013. The processing plant processes milk and manufactures VAPs such as curd and butter milk.

This plant caters to the Kurnool and Old Mahbubnagar districts.

Nellore, Andhra Pradesh

This is our first and parent processing plant which commenced operations in 1997. The processing plant dairy is also equipped with infrastructure for the manufacture of dairy based VAPs such as curd, butter, ghee, SMP, paneer, sterilized flavoured milk, lassi, buttermilk, doodh peda, gulab jamun and milk cake. The SMP production facility acts as feeder balancing during lean season to convert the excess milk produced into SMP for consumption.

The processing plant caters to the liquid milk demand in Chennai, Nellore, Ongole, and Tirupati. The VAPs produced from this processing plant cater to states such as Andhra Pradesh, Tamil Nadu, Maharashtra, Rajasthan, Madhya Pradesh and West Bengal.

Palamaner, Andhra Pradesh

This processing plant commenced its operations in the year 2004 with an initial installed capacity was 0.1 MLPD. The installed capacity was subsequently increased to 0.38 MLPD in 2018. The processing plant processes milk and manufactures VAPs such as paneer, butter, curd, buttermilk and doodh peda.

The processing plant caters to the liquid milk demand and supplies dairy based VAPs to Bengaluru and Mysore and other towns in Tamil Nadu and Andhra Pradesh.

Penumur, Andhra Pradesh

This processing plant commenced its operations in 2001. The processing plant processes milk and manufactures dairy based VAPs such as curd, butter and butter milk.

This plant caters to the cities of Bengaluru and Chittoor and towns of Tamil Nadu and Andhra Pradesh.

Sattenapalle, Andhra Pradesh

This processing plant commenced its operations in 2007. The processing plant processes milk and manufactures dairy based VAPs such as curd, butter, butter milk, paneer and doodh peda.

This plant caters to the cities of Vijayawada and Guntur and rural areas of Krishna and Guntur districts.

Tanuku, Andhra Pradesh

This processing plant commenced its operations in 2011. The processing plant processes milk and manufactures dairy based VAPs such as curd.

This plant caters to the towns of Tanuku, Bhimavaram, Tadepalli Gudem, Palakollu, Kakinada, Rajahmundry, Amalapuram, Badrachalam, Kothagudem, East Godavari, West Godavari and Khammam districts.

Indragi, Karnataka

This is a automated processing plant which commenced operations in the year 2014. The processing plant processes milk and manufactures dairy based VAPs such as UHT milk, butter, flavoured milk, curd and buttermilk.

The plant caters to the cities in central and northern parts of Karnataka.

Tumkur, Karnataka

This processing plant commenced its operations in 2011 and is engaged in the processing of milk.

This plant caters to the towns of Bengaluru, Tumkur, Sira and Iruyur.

Dharmapuri, Tamil Nadu

This processing plant was acquired by us in 2016 pursuant to sale deeds dated December 16, 2015 and May 12, 2016. The processing plant processes milk and manufactures dairy based VAPs such as curd.

The plant caters to the cities of Bengaluru, Salem, Dharmapuri, Karur and Coimbatore.

Hyderabad, Telangana

This is fully automated plant located at Gundrampally, near Hyderabad which commenced operations in 2017. The processing plant processes milk and manufactures dairy based VAPs such as curd, butter, ghee, paneer, ice cream, flavoured milk and doodh peda. The plant caters to the cities of Hyderabad, Nalgonda, Karimnagar, Warangal, Bijapur, Gulbarga and Shedum.

Africa

Uganda

Lakeside Dairy Limited ("**LDL**") was incorporated in 2014, to acquire the operations of Hillside Dairy and Agriculture Limited

("**HDL**") and carry on the business of dairy and agriculture. It is a wholly owned subsidiary of DHPL. Subsequently, LDL obtained investments licence from the Uganda Investment Authority for processing milk and dairy products. We are in process of diversifying our business portfolio to cater to the growing African market. LDL currently processes 0.03 MLPD of milk as of Fiscal 2018.

Production Capacity

The following table sets forth information relating to the aggregate installed production capacities (per day) of our processing plants for the products specified below, as of May 31, 2018:

	Installed Capacity for Milk Handling									
	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
Processing Plant	(in MLPD)	(in kgs)	(in MLPD)	(in kgs)	(in MLPD)	(in kgs)	(in MLPD)	(in kgs)	(in MLPD)	(in kgs)
Badvel, Andhra Pradesh	0.02	-	0.02	-	0.02	-	0.02	-	0.05	-
Kurnool, Andhra Pradesh	0.01	-	0.01	-	0.01	-	0.01	-	0.01	-
Palamaner, Andhra Pradesh	0.20	-	0.20	-	0.20	-	0.20	-	0.38	-
Penumur, Andhra Pradesh	0.05	-	0.05	-	0.05	-	0.05	-	0.05	-
Nellore, Andhra Pradesh	0.20	-	0.20	-	0.20	-	0.20	-	0.20	-
Nellore (SMP), Andhra Pradesh	-	15,000		15,000	-	15,000	-	15,000	-	15,000
Sattenapalle, Andhra Pradesh	0.04	-	0.04	-	0.04	-	0.04	-	0.04	-
Tanuku, Andhra Pradesh	0.005	-	0.005	-	0.005	-	0.005	-	0.005	-
Indragi, Karnataka	-	-	0.20	-	0.20	-	0.20	-	0.20	-
Tumkur, Karnataka	0.03	-	0.03	-	0.03	-	0.03	-	0.03	-
Dharmapuri, Tamil Nadu	-	-		-	-	-	0.10	-	0.10	-
Hyderabad, Telangana	-	-		-	-	-	0.21	-	0.21	-
Uganda	0.03	-	0.03	-	0.48	-	0.10	-	-	-

Capacity utilisation

We regularly monitor the performance of our processing plants through a number of performance indicators commonly used in the dairy industry. The following table provides information relating to the aggregate estimated capacity utilization rates of our processing plants for the plants below in Fiscal 2016, 2017 and 2018. The capacity utilization for our processing plants has been calculated on the basis of the actual aggregate production of the relevant product during the relevant period, divided by the average aggregate installed production capacity for such product for such period, as adjusted for scheduled and unscheduled downtime.

	Capacity Utilisation									
	Fiscal 2014		Fiscal 2015		Fiscal 2016		Fiscal 2017		Fiscal 2018	
Processing Plant	(in MLPD)	(%)	(in MLPD)	(%)	(in MLPD)	(%)	(in MLPD)	(%)	(in MLPD)	(%)
Badvel, Andhra Pradesh	0.03	78.00	0.02	135.00	0.02	145.00	0.04	201.00	0.04	90.00
Kurnool, Andhra Pradesh	0.003	30.00	0.03	330.00	0.03	327.00	0.03	360.00	0.03	80.00
Palamaner, Andhra Pradesh	0.21	57.00	0.23	118.00	0.23	117.00	0.24	124.00	0.21	55.00
Penumur, Andhra Pradesh	0.03	76.00	0.05	110.00	0.05	114.0	0.05	102.00	0.04	95.00
Nellore, Andhra Pradesh	0.19	96.00	0.20	97.00	0.19	95.00	0.21	105.00	0.22	100.00
Sattenapalle, Andhra Pradesh	0.09	195.00	0.09	202.00	0.10	212.00	0.08	183.00	0.01	50.00
Tanuku, Andhra Pradesh	0.01	240.00	0.01	260.00	0.01	266.00	0.01	306.00	0.02	100.00
Indragi, Karnataka	-	-	0.04	22.00	0.11	58.00	0.15	78.00	0.15	75.00
Tumkur, Karnataka	0.003	9.00	0.02	74.00	0.02	82.00	0.03	100.00	0.04	100.00
Dharmapuri, Tamil Nadu	-	-	-	-	-	-	0.04	46.00	0.10	100.00
Hyderabad, Telangana	-	-	-	-	-	-	0.03	16.00	0.11	53.00
Uganda	0.005	0	0.01	31.00	0.01	38.00	0.03	32.00		
Total	0.61		0.74		0.82		0.98		1.06	

Further, the capacity utilisation for the Nellore (SMP) plant was 4,303 kgs (28.68%), 6,861 kgs (45.74%) and 9,107 kgs (60.71%) for the Fiscals 2016, 2017 and 2018 respectively.

Milk Procurement and Infrastructure

Raw Milk Procurement

We have over the years developed a robust milk procurement system that enables us to source raw milk directly from the milk farmers and agents in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. Our milk procurement model consists of procurement of approximately 1.00 MLPD of raw milk from approximately 2,20,789 farmers across 7,598 villages through 3,717 DDCCs, 3,212 procurement agents as of May 31, 2018. Our procurement model enables us to control our raw milk costs and exercise greater control over the quality of raw milk supplied. Raw milk collected at our DDCCs is measured and tested for quality through GPRS enabled milk analyzers, where the raw milk is tested for fat and SNF content percentage, which provides the basis of payment to the farmers. In addition to testing for fat/SNF content percentage, we also subject the raw milk to various quality tests. Once the raw milk is measured and tested, the data is transferred automatically to a computer system for further processing and payment. The farmer / agent is provided with a receipt containing details of the quantity, quality, and amount payable. The payment is made directly to the farmer's / agent's bank account based on the real time data uploaded into our centralized server, once in every 10 to 15 days.

We operate more than 250 milk procurement routes. These routes have a regular procurement plan with timely pick up of raw milk from the DDCC and procurement agents and transportation to the nearest chilling centres for further processes which enables us to preserve the freshness of the raw milk. The raw milk is thereafter transported to the nearest processing plant through tankers for onward processing into retail milk or manufacture of VAPs. The strategic location of our processing plants to our chilling centres and in turn of our chilling centres to our DDCCs and agents enables us to minimise the transportation and handling costs, without any loss in quality or nutritional value of milk.

Farmer welfare

In order to strengthen our relationship with farmers and help farmers increase their milk productivity, we have undertaken various initiatives / programs. We educate/train the farmers in cattle breeding, animal nutrition, healthcare, clean milk production, assistance with cattle purchase financing, cattle insurance and supply of quality cattle feed.

We also partner with a number of veterinary doctors and para-veterinary workers to assist milk farmers with cattle health care, de-worming, vaccination and other initiatives. We believe that this procurement model together with our strong long-term relationship with the milk farmers through continued engagement, knowledge and infrastructure support and transparent dealings, has enabled us to ensure continued association with milk farmers, reduced raw milk costs and ensures consistent supply of quality raw milk.

We work with regional banks and facilitate sanctioning of loans to farmers which they utilise to purchase milch animals, construction of cattle sheds, feed and fodder etc. We procure cattle feed on behalf of the farmers and pass on the price benefits of bulk purchase of such cattle feed to the farmers.

Other Raw Materials

Our primary raw material is milk which we procure mainly from milk farmers. We also require sugar, flavours, skimmed milk powder, butter and other additives. We typically do not have long term supply arrangements with our suppliers. The price and supply of raw materials depend on various factors beyond our control, including economic conditions, competition, availability of quality suppliers, production levels, transportation costs, import duties, fuel prices, and trade restrictions. In order to maintain and manage our raw material requirements, we have a comprehensive inventory management system for raw materials and other consumables which is linked to SAP. Further, we also require packaging materials such as poly film for milk packing, plastic jars, glass bottles, and other materials for our products which for which do not have have long term supply arrangements.

Power and Water

Our operations involve a significant amount of electricity as our raw materials including milk and dairy based VAPs are required to be stored at specified temperatures and require significant refrigeration facilities. The production processes of certain of our dairy products also require significant power. We have installed captive solar power plants with a combined capacity of 1 mega watt at Hyderabad, Sattanapally and Indragi processing plants. We also depend on the relevant state electricity supply for our power requirements. The electricity supply at our processing plants is equipped with feeder connections to ensure uninterrupted supply of power. We also use diesel generators to meet exigencies and to operate our processing plants during power failures.

In addition, availability of water is important in relation to our production processes. To ensure adequate supply of water, tube wells have been installed within our processing plants for supply of water in addition to the routine sources of water such as natural water available in nearby rivers. We have also established RO systems to treat impurities in the water by removing dissolved solids and harmful bacteria, minerals and other impurities.

Production Process

All our production processes begin with the procurement of milk which is tested for quality parameters before it is sent for further processing. The brief production processes of some of our products are as follows:

Pasteurized Milk

Raw milk is procured and accepted by us based on quality parameters. The milk is chilled and transferred to stainless steel silos which is further taken for pasteurization. Simultaneously homogenization of the raw milk is done and standardized for milk variants to meet the legal and organizational standards. The raw milk is then transferred to the packaging section, where it is packed in different sizes of pouches and stored in cold storage.

Curd

Milk meant for curd manufacture is standardised, pasteurized cooled to a particular temperature and transferred to culture inoculation tank. Curd culture is added to the milk at required proportion and circulated for proper mixing. After the circulation, the culture added milk is pumped to the packing machines and packed in different formation (pouches/cups/buckets). The packs are incubated at a particular temperature. After attaining required acidity/pH the product is shifted to cold store and kept cooled to a particular temperature. The product is dispatched in insulated vehicles for market.

UHT Milk

Pasteurized and standardised milk is fed to a sterilizer where the milk is heated above 135 degrees celsius for a specified duration of time so as to destroy all microorganisms. The raw milk is then cooled and aseptically packed in a layer packaging film into pouches of different sizes. These pouches are then kept under observation for certain days under incubation and then after quality assurance testing is released for dispatch. UHT milk has longer shelf life under certain conditions without any preservatives being added and does not require any refrigeration.

Flavoured Milk

Pasteurized double toned milk is mixed with filtered sugar syrup together with colour and flavour and stored in a tank. The flavoured milk is then fed into bottle fillers and filled in glass bottles which are thereafter transferred to the bottle sterilizer and heated to a minimum temperature for a specified period of time so as to kill all microorganisms. After sterilization, the bottles are removed and stored in quarantine area for certain days for quality assurance analysis. Once the quality assurance analysis is cleared, the bottles are labelled and packed in boxes.

Skimmed Milk Powder

Pasteurized skimmed milk is subjected to evaporation as a result of which we get concentrated milk. This concentrated milk is fed to spray drying chamber at a certain temperature with the help of high pressure pump, and after multi-stage drying, the powder formation takes place. This powder is then cooled in 'vibro fluidized' bed dryer (VFBD) and is then passed through mesh sieve and packed in paper bags in a particular manner so as to prevent addition of microbial load in the product. The bags are weighed, sealed, stitched and passed through a metal detector to verify any metal contamination in the product, and after quality assurance analysis the bags are ready for dispatch.

Clarified Butter (Ghee)

During pasteurization, a part of the milk is passed through centrifugal separator and the cream is separated. The cream is pasteurized, cooled and stored in cream tanks for ageing. The cream is then fed in the butter churn / continuous butter making machine (CBM) to form butter. The butter is thereafter stored in deep freeze rooms at minus 18 degrees Celsius or below for ageing of butter and flavor stabilization. The butter is then taken out from the cold store and melted, fed into ghee boilers to produce ghee. After filtration and clarification, the ghee is packed into various packaging formations. The packed ghee is kept in the ghee granulation room which is maintained below a particular temperature for a specified period of time for the granulation process.

Quality Assurance

Quality food safety forms a part of our policy and one of the main drivers of our business. We have well defined documented quality system which is monitored at various stages of procurement and processing. Our processing plants Nellore, Palamaner,

Penemuru, Indragi, Kurnool and Sattenapalli plants are ISO 22000:2005 certified for food management system and our Nellore and Palamner processing plants are ISO 50001:2011 certified for energy management system. Our Nellore processing plant is export inspection certified and BIS certified for SMP. Our products have received certifications from FSSAI. Our processing plants situated at Nellore and Hyderabad, for producing ghee, are AGMARK registered. Further, our Uganda Unit has obtained various quality certification including, *inter alia*, UNBS permits for producing ghee, plain yogurt, strawberry yogurt, UHT milk and vanilla.

Stringent Quality Checks

We have established stringent quality control measures right from the procurement of raw milk collection till the dispatch of our products to the consumers. The various tests for raw and processed milk are as follows:

- *Tests for screening:* referred to as platform tests used to decide on the acceptability of milk (physical and chemical characteristics, organoleptic test/ sensory evaluation, hygienic characteristics, tests for adulteration (sugar, salt, urea, vegetable oil, detergents maltodextrin) test for drug residues);

- *Tests for grading:* Tests such as methylene blue reduction test and heat stability tests in order to grade the raw milk;

- *Tests for payment system:* Tests undertaken to ascertain the quantity and compositional quality of the raw milk in order to accurately pay the farmers / agents;

- *Product testing:* Tests include online inspections, tests for work-in-progress, finished product testing and test during dispatch for various parameters such as colour, moisture, texture, added sugar and protein content of the raw milk;

- *Micro biological testing***:** We perform the following microbiology tests in house for milk and dairy based VAPs-

  1. Standard plate count test;
  2. Coliform count test; and
  3. Yeast and mould count test.

  Additionally, we also test our milk powder for Escherichia Coli & Staphilococcus Aurus.

  Further, we get the following bacteriological tests done from external labs for our SMP:

  1. Listeria monocytogens test;
  2. Salmonella test;
  3. Shigella test;
  4. Staphylococcus Aureus;
  5. Aerobic spore count; and
  6. Anearobic spore count.

  Sterility of equipment is assessed by using electronic Bio-luminino meter, ambient air quality is assessed by plating ambient air at different areas of plant and personal hygiene also examined by visible examination and by doing hand swab. Further, compositional, chemical, and microbiological test are conducted by an external lab once a year for milk, milk products and water; and

- *Raw and Packaging Materials Testing***:** Various raw and packaging materials are tested to ensure conformity with our specifications and legal requirement as per the defined test procedures.

Quality Control during procurement and storage of raw milk

We procure raw milk from the milk farmers, procurement agents and at our DDCCs. The raw milk undergoes stringent tests to ensure maintenance of our quality standards. These tests include organoleptic evaluation heat stability tests, alcohol test, acidity test, clot on boiling tests, microbiological analysis, adulterants test and antibiotics residue test, which ensure that the quality and safety of the raw milk is in compliance with the statutory standards as well as our internal quality standards. We also issue a report detailing the test results and quality indicators before the raw milk is accepted and stored by us. In addition, we implement stringent cleaning standards to our processing plants and perform inspections on our milk tanks to ensure the hygiene level of the milk tanks.

Quality Control during delivery of raw milk

We engage third-party logistics companies to deliver and transport our raw milk from our DDCCs to our processing plants. Our logistics department focuses on overseeing and implementing our stringent safety and quality policy throughout the transportation process. We require that the milk trucks transporting our raw milk are thoroughly cleaned and inspected by our trained personnel after each round of delivery, following our quality standards. Each milk truck is sealed at our chilling centres, and is only opened by authorized personnel on arrival at our production plants. Thereafter, the raw milk is inspected again to ensure the quality and also to ensure that the appropriate temperature has been maintained for preservation.

In addition, we perform regular reviews on our third party logistics partners to ensure compliance with our policies and standards on timeliness of vehicle dispatching and delivery, condition of vehicles, status of delivered raw milk and documentation.

Quality Control over raw materials and suppliers

We have implemented stringent quality control standards with respect to the raw materials we source from external suppliers and stringent evaluation and engagement policies for new suppliers. Before engaging a new supplier, our quality department will first review the qualifications of the supplier, and then conduct thorough on-site inspection. A supplier will only be qualified if it passes the qualifications review and on-site inspections. Once qualified, the suppliers remain subject to routine review and evaluation of various aspects. We also conduct inspection on raw materials upon delivery.

Quality Control over production process

We implement stringent safety and quality standards at each stage of our production process. The infrastructure and facilities in our processing plants are designed, constructed, maintained and inspected in accordance with applicable food safety standards, laws and regulations. We also enforce strict hygiene standards for our personnel involved in production activities. Further, we take care to ensure that the raw materials and ingredients used in our production processes are strictly in compliance with applicable laws and regulations and, semi-finished products are tested to ensure compliance with our stringent quality standards before proceeding to the next stage of production. Major tests include sampling tests to ensure that appearance, colour, odour, taste and nutrients comply with our safety and quality standard. Material factors in relation to the quality of our production at each step are listed out and monitored closely according to our internal plan in order to prevent and rectify any potential occurrence of manufacturing errors. We have also installed homogenisers for homogenization of pasteurised milk and separators for separation of cream, and centralized cleaning in place (CIP) units at most units at our processing plants.

Quality Control over packaging, storage and delivery of finished products

We perform batch-wise quality inspection on our products to ensure compliance with national food safety standards and applicable regulations. We implement quality standards for packaging, loading, delivering and unloading of the product and ensure that the delivery process is in compliance with the guidelines for product transportation to ensure maintenance of the quality and safety of our products. We place emphasis on packaging of products, such as milk powder and curd, which are sensitive to external factors like temperature and moisture. We also use vacuum technology for some of our products, which ensures that the air is removed before sealing of the package of the products to increase its shelf life as well as preserve the products. Further, we ensure that the products are packaged under supervision, and in accordance with our internal policies as well as policies and regulations provided by the FSSAI and UNBS. We also impose stringent and specific requirements on the trucks used to deliver our dairy products. We store a sample from each batch of dairy products delivered to facilitate addressing any issues or feedbacks from customers. We also conduct sample surveys to ensure our dairy products are properly transported and stored.

Product Development

We believe that research and development is critical in maintaining our competitive edge. In order to keep pace with the technological developments in the dairy industry and to continually enhance our competitive advantages, we place significant emphasis on research and development. Since our establishment, we have focused our research and development efforts to improve various aspects of the milk and milk product development and supply chain such as offering new products to address the evolving consumer preferences, ensuring product safety and efforts to improve profitability. We have product development capabilities at our processing plants at Gundrampalli and Nellore processing plants.

Distribution and marketing

Our India distribution and marketing operations consist of distribution of our milk and VAPs through 14 sales offices, 3,329 distribution agents, 379 milk distributors and 466 milk product distributors. Additionally, as of May 31, 2018, our milk and VAPs are also available through 217 "Dodla Retail Parlors". Our distribution operations in Uganda are conducted through our African

Subsidiary Lakeside Dairy Ltd. and includes distribution of our products as of May 31, 2018 through 21 distributors and four agents. Our distribution operations in Kenya are conducted through our African Subsidiary Dodla Dairy Kenya Limited and includes distribution of our products as of May 31, 2018 through 107 agents and 34 distributors.

We engage in various marketing and promotional campaigns in order to market our products such as undertaking, door to door campaigning for our products, bus brandings, local wall paintings, hoardings, signages, direction boards and kiosk promotions.

Employees

As of May 31, 2018, we had a workforce of 4,262 personnel which included 2,203 whole time employees and 2,059 contract employees. We consider our human resource as a critical factor to our success and engage in a human resource strategy that focuses heavily on recruiting, training and retaining our employees, as well as offering them competitive compensation. In addition to a base salary and performance-linked incentives, we provide a number of benefits to our employees, such as medical insurance and group gratuity schemes. Our employee policies aim to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We are also committed to providing an empowering environment that motivates and facilitates growth and rewards contribution. We also have a dedicated team of employees who specialize in marketing and distribution of dairy products, and these employees are responsible for regularly engaging with our distributors and dealers, for expanding our distribution network, and enhancing the sales of our retail consumer products.

Information Technology

Our facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw milk, quality parameters of milk procured, and payments to milk farmers, procurement agents and third party suppliers. We have also implemented integrated business management software for planning and management of operations at our processing plants, including an integrated SAP enterprise resource planning (ERP) solution covering production (including monitoring of critical plant and machinery), quality, finance, sales, stores, purchase, inventory and payroll operations.

Competition

The dairy industry is highly competitive, especially the markets for processed milk products and dairy based VAPs, which are experiencing rapid development and increasing competition. We compete with large multi-national companies particularly as well as regional and local companies in each of the regions where we operate. Besides, in most product categories, we compete not only with other widely advertised branded products, but also with non-premium milk producers distributing milk in our marketing area as well as private and economy brand products that are generally sold at lower prices. In addition, a number of our competitors have also engaged in integration within the value chain, including making investments in dairy farms. Such strategic moves may lead to a more competitive environment.

Intellectual Property

Our intellectual property includes trademarks associated with our business. As on the date of this Draft Red Herring Prospectus, our Company has registered and holds three registrations in respect of trademarks, including our "Dodla Dairy" trademark, under classes 29, 30 and 32, granted by the Registrar of Trademarks under the Trademarks Act, 1999 in India.

Further, our Company has registered, and holds, registrations for two copyrights granted by the Deputy Registrar of Copyrights under the Copyright Act, 1957 in relation to "Dodla Dairy" in India. Further, as on date, our Company has not filed applications for registration of any other copyrights.

Insurance

We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including for fire, burglary and coverage for stock in transit. Further, we also hold policies for securing our cash in holding. Additionally, we have covered specific liabilities against our directors and certain specified officers through a directors and officers liability insurance policy. Our Company has also obtained an employee compensation policy, group mediclaim policy and group personal accident insurance policy.

Property

Our Registered and Corporate office located at 8-2-293/82/A/270-Q, Road No. 10-C, Jubilee Hills, Hyderabad, 500 033, Telangana, India, is owned by our Company. All our processing plants, except for our plants situated at Tumkur, Karnataka and

Tanuku, Andhra Pradesh, are situated on lands that are owned by the Company. Our chilling centres are situated on lands which are a mix of leasehold lands and freehold lands.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the rules framed thereunder. Our CSR activities are primarily focused on initiatives related to education and these activities are centred around the geographical areas near our processing plants.

Our CSR activities are monitored by the CSR committee of our Board. For details of the terms of reference of CSR committee, see "*Our Management*" on page 172. For the Fiscal 2018, we had spent an amount of ₹6.19 million in CSR activities. For further details see section "*Financial Statements*" on page 184.

REGULATIONS AND POLICIES

Given below is a summary of certain sector-specific relevant laws and regulations as prescribed by the Government of India, state governments, other governmental authorities and governments of other countries which are applicable to our Company and Subsidiaries. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

I. Key regulations in relation to the milk production sector in India

The Food Safety and Standards Act, 2006 (the "FSSA")

The FSSA was enacted with a view to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India ("**FSSAI**") for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. The FSSA also sets out requirements for licensing and registering food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by 'Food Safety Appellate Tribunal'.

In exercise of powers under the FSSA, the FSSAI has also framed the Food Safety and Standards Rules, 2011 (the "**FSSR**"). The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR sets out the enforcement structure of 'commissioner of food safety', 'the food safety officer' and 'the food analyst' and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences (including recall procedures).

Legal Metrology Act, 2009 (the "Legal Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011 (the "Packaged Commodities Rules")

The Legal Metrology Act has been in force since April 1, 2011 and replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions under the Legal Metrology Act; (c) requirement of licenses for companies in order to manufacture and sell products; and (d) stringent punishment for violation of provisions.

In exercise of powers under the Legal Metrology Act, the Packaged Commodities Rules were framed the Packaged Commodities Rules lays down specific provisions applicable to packages intended for retail sale and whole sale. A "pre-packaged commodity" is defined as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. As per the Packaged Commodities Rules, it is illegal to manufacture, pack, sell, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed. No pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the Packaged Commodity Rules.

Bureau of Indian Standards Act, 1986 (the "BIS Act")

The BIS Act provides for the establishment of a bureau for the standardisation, marking and quality certification of goods. The BIS Act provides for the functions of the bureau which includes, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the, Bureau of Indian Standards Certification Mark, which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

The Andhra Pradesh (Agricultural Produce and Livestock) Markets Act, 1966 (the "AP Markets Act")

The AP Markets Act was enacted to regulate the purchase and sale of agricultural produce, livestock and products of livestock and the establishment of markets in the state of Andhra Pradesh. In order to achieve these objectives, a Markets Committee ("**MC**") is

set up for every notified area by the Government under the AP Markets Act which are vested with diverse powers such as granting licenses, levy of fees and imposing penalties under the AP Markets Act.

The Telangana (Agricultural Produce and Livestock) Markets Act, 1966 (the "Telangana Markets Act")

The Telangana Markets Act was enacted to regulate the purchase and sale of agricultural produce, livestock and products of livestock and the establishment of markets in the state of Telangana. In order to achieve these objectives, a Markets Committee ("**MC**") is set up for every notified area by the Government under the Telangana Markets Act which are vested with diverse powers such as granting licenses, levy of fees and imposing penalties under the Telangana Markets Act.

The Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 (the "KAPM Act")

The KAPM Act was enacted to regulate the marketing of agricultural and certain other produce in market areas and markets established in the state of Karnataka. The agricultural and other products regulated by the KAPM Act include butter and ghee.

The Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1959 (the "TAPM Act")

The TAPM was enacted to regulate the purchase and sale of agricultural produce and the establishment of markets in the state of Tamil Nadu. In order to achieve these objectives, a Markets Committee ("**MC**") is set up for every notified area by the Government under the TAPM which are vested with diverse powers such as granting licenses, levy of fees and imposing penalties under the TAPM Act.

II. Key applicable intellectual property laws

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

Trade Marks Act, 1999 ("Trade Marks Act")

The Trademarks Act provides for the application and registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made Controller – General of Patents, Designs and Trade Marks who is a Registrar of Trademarks for the purposes of the Trade Marks Act. The Trademarks Act prohibits registration of deceptively similar trademarks. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

III. Laws relating to employment

The Factories Act, 1948 (the "**Factories Act**") defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished with imprisonment for a term up to two years or with a fine in case of contravention of any provisions of the Factories Act or rules framed there under and in case of a contravention continuing after conviction, and with a fine of up to ₹1,000 per day of contravention. In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws.

The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Child Labour (Prohibition and Regulation) Act, 1986;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Compensation Act, 1923;

- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing orders) Act 1946;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Motor Transport Workers Act, 1961;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Trade Union Act, 1926;
- Workmen's Compensation Act, 1923;
- Shops and Establishment Act; and
- Equal Remuneration Act, 1976

Sale of Goods Act, 1930 (the "Sale of Goods Act")

The Sale of Goods Act governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one, or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

IV. Environment regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

Environment Protection Act, 1986 ("EPA") and Environment (Protection) Rules, 1986

The EPA is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the Government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, *inter alia*, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

V. Tax Legislations

The tax related laws that are applicable to our Company include the Central Goods and Services Tax Act, 2017, Karnataka Goods and Services Tax Act, 2017, Customs Act, 1962, Income Tax Act, 1961, the Income Tax Rules, 1962 and Finance Act, 2018.

VI. Laws governing foreign investments

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") from time to time. Under the current FDI Policy (effective August 28, 2017) 100% foreign direct investment is permitted in IT/ITES sector, under the automatic route.

In terms of applicable regulations notified under FEMA and the SEBI (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**"), investments by Foreign Portfolio Investors ("**FPIs**") in the capital of an Indian company under the SEBI FPI Regulations are subject to certain limits individual holding limits of 10% of the capital of the company per FPI and the aggregate holding limit of 24% of the capital of the company. However, the aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a resolution of the company's board of directors, followed by a special resolution by the shareholders and prior intimation to the RBI.

Overseas Direct Investment ("ODI")

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

VII. Key regulations in relation to the milk production and trade sector in Uganda and Kenya

The following is an indicative list of laws applicable to the business and operations of companies engaged in manufacturing activities and in the dairy sector in Uganda:

- Income Tax Act as amended;
- The Value Added Tax Act;
- The Tax Procedures Code Act, 2014;
- The Companies Act, No. 1 of 2012;
- The Anti-Money Laundering Act, 2013;
- The Common Market for Eastern and Southern Africa Treaty Act;
- The Dairy Industry Act, Cap. 85;
- The Public Health Act;
- The Trade (Licencing) Act, Cap;
- The Employment Act, No. 1 of 2006;
- The Workers Compensation Act;
- The National Social Security Fund Act, Cap. 222;
- The Uganda National Bureau of Standards Act, Cap. 327;
- The Investment Code Act, Cap. 92.;
- The Local Governments (Rating) Act 2005;
- The Local Governments (Rating) (Amendment) Act, 2006;
- The Land Act, Cap. 230;
- The Registration of Titles Act, Cap. 227;
- The Local Governments (Amendment) No. 2 Act 2008; and
- The Trademarks Act, 2010.

The following is an indicative list of laws applicable to the business and operations of companies engaged in manufacturing activities and in the dairy sector in Kenya:

- The Constitution of Kenya (being the supreme law in Kenya);
- Companies Act;
- Employment Act;

- Dairy Industry Act;
- All Intellectual Property Rights Act;
- Where the Company has any interest in land, the Land Act and Land Regulations Act, the Landlord Shops hotels and Catering Establishments Act;
- Occupational Health and Safety Act;
- Standards Act;
- Consumer Protection Act (as applicable);
- Anti-Counterfeit Act (as applicable);
- Industrial Training Act;
- Agriculture Food and Fisheries Authority Act (as applicable);
- Occupiers Liability Act;
- Work Injury Benefits Act;
- Value Added Tax Act;
- Income Tax Act;
- Tax Procedures Act; and
- Customs and Excise Act.

VIII. Other Regulations

In addition to the above, our Company is also required to, among other things, comply with the provisions of certain other legislations including Indian Boilers Act, 1923 and the Electricity Act, 2003

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Dodla Dairy Limited on May 15, 1995 at Hyderabad, Andhra Pradesh as a public limited company under the Companies Act, 1956. Our Company commenced business on May 23, 1995. Our Company has not changed its name since incorporation.

Our Company had historically, in various public documents such as annual reports and secretarial filings, named Dodla Sunil Reddy, Dodla Sesha Reddy, Dodla Subba Reddy, Dodla Girija Reddy, Dodla Deepa Reddy and D. Padmavathamma as our promoters. Pursuant to a resolution of the Board in its meeting held on July 13, 2018, Dodla Subba Reddy, Dodla Girija Reddy, Dodla Deepa Reddy and D. Padmavathamma were declassified as promoters of our Company and reclassified as promoter group and it was resolved that Dodla Sunil Reddy, Dodla Sesha Reddy and Dodla Family Trust will be the Promoters of our Company. For details of our Promoters, see "*Our Promoter, Promoter Group*" on page 179.

Business and Management

For details regarding the description of our activities, services, market, growth, technology, managerial competence and standing with reference to prominent competitors, see "*Our Management*", "*Our Business*" and "*Industry Overview*" on pages 162, 136 and 96, respectively.

Changes in Registered Office

Except as disclosed below, there have been no changes in the registered office of our Company since the date of its incorporation:

Effective date of change of registered Office	Details of the address of registered office
August 10, 2016	From 8-2-696, Road No.12, Banjara Hills, Hyderabad to 8-2-293/82/A/270-Q, Road No 10-C, Jubilee Hills, Hyderabad, Telangana, 500 033

The change in the address of the Registered Office was to situate the office in a Company-owned premise.

Main Objects of our Company

The main objects contained in the MoA of our Company are as follows:

1. *To carry on the Business as manufacturers, processors, producers, preservators, canners, bottlers, makers, packers, repackers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaries in milk, evaporated milk, powdered milk, butter, cheese, cream and all types of milk products, including dairy whitener, non dairy whitener, infant milk formulas, 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, 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, fruit juices, canned fruits and fruit products, milk and malted food, horticultural products protein foods, maize products, butter, ghee, cheese and other dairy products*

4. *To carry on animal husbandry and conduct research in livestock, animal nutrition 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.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see "*Objects of the Offer*" on page 81.

Amendments to the MoA

Set out below are the amendments to our MoA:

Date of Shareholders' Resolution	Particulars
January 24, 1997	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹1,000,000 divided into 100,000 Equity Shares of ₹10 each to ₹60,000,000 divided into 6,000,000 Equity Shares of ₹10 each.
September 29, 1998	Clause V of the MoA was amended to reflect the reclassification in authorised share capital from ₹60,000,000 divided into 6,000,000 Equity Shares of ₹10 each to ₹60,000,000 divided into 3,500,000 Equity Shares of ₹10 each and 2,500,000 Redeemable Preference Shares of ₹10 each.
September 24, 2012	Clause III of the MoA was altered to reflect the addition of clause 4 and 5 to the main objects in the following manner: *4. To carry on animal husbandry and conduct research in livestock, animal nutrition 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*.
October 20, 2012	Clause V of the MoA was amended to reflect the reclassification in authorised share capital from ₹60,000,000 divided into 3,500,000 Equity Shares of ₹10 each and 2,500,000 Redeemable Preference Shares of ₹10 each to ₹60,000,000 divided into 6,000,000 Equity Shares of ₹10 each.
March 30, 2015	Replacing the old MoA of the Company with a new MoA to bring it in consonance with table-A of Schedule I of the Companies Act, 2013
March 23, 2018	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹60,000,000 divided into 6,000,000 Equity Shares of ₹10 each to ₹750,000,000 divided into 75,000,000 Equity Shares of ₹10 each.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Year	Particulars
2017	• Commenced production in Hyderabad plant • Acquired land for new processing plant in Rajahmundry
2016	Commenced production in Palacode plant
2014	• Commenced production Indragi plants • Acquired Lakeside Dairy, Uganda and commenced operations • Established large scale farm in Pulivendula under GVC
2012	Commenced production in Mahbubnagar plant
2011	• Commenced production at Tanuku plant • Commenced production in Tumkur plant
2009	• Implemented Microsoft Dynamic ERP across our Company • Established milk powder plant and SMP plant at Nellore
2007	Commenced production in Badvel plant
2007	Commenced production in Sattenapally plant
2004	Commenced production in Palamaner plant
2001	Commenced production in Penumuru plant
1997	Commenced production in Nellore plant

Awards and Accreditations

We have received the following awards and accreditations:

Year	Awards and Accreditations
-	Awarded the Yes Bank Emerging Companies Excellence award
2015	Awarded the TV5 Business Leader award in the food processing (medium) category
2018	Awarded the HMTV Business Excellence award for the best agri/food processing company

Lock-outs and Strikes

There have been no lock-outs or strikes in our Company since incorporation, and as on the date of the Draft Red Herring Prospectus.

Injunction or restraining order

As on the date of this Draft Red Herring Prospectus, our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, if any

Our Company, entered into an MoU in 2014 with Hillside Dairy and Agriculture Limited ("**Hillside Dairy**") for the acquisition of its operations. In furtherance of this MoU, our Subsidiary, LDL acquired the milk processing business of Hillside Dairy through a business transfer agreement dated July 30, 2014 ("**BTA**"). The BTA provides for the transfer of milk processing business of Hillside Dairy to LDL. LDL paid an amount of USD 2.45 million for the transfer of the assets of Hillside Dairy situated in Mbarra, Uganda. Except as stated herein, our Company has neither acquired any entity, business, undertaking, nor undertaken any merger, amalgamation or revaluation of assets.

Capital raising activities through equity and debt

Other than as disclosed in the section "*Capital Structure*" and "*Financial Indebtedness*" on pages 69 and 319, respectively, we have not raised any capital in the form of equity or debt.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

Except as stated in "*Risk Factors*" on page 14, there have been no defaults or rescheduling of borrowings with financial institutions/ banks. None of our outstanding loans have been converted into Equity Shares.

Time and cost overruns

During the course of our business, our Company has set up processing plants for conducting our dairy operations. In the course of setting up such processing plants, our Company has not experienced any time or cost overruns in relation thereto.

Changes in the activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses of subsidiaries not accounted for by us

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Information.

Our Shareholders

Our Company has nine Shareholders as of the date of this Draft Red Herring Prospectus. For further details, regarding our Shareholders, see "*Capital Structure*" on page 69.

Strategic or Financial Partners

Our Company does not have any financial and strategic partners as of the date of this Draft Red Herring Prospectus.

Holding Company

Our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has three subsidiaries.

Dodla Holdings PTE. Limited ("DHPL")

Corporate Information

DHPL was incorporated on June 20, 2014 as a private company under the Companies Act (Cap.50) in the Republic of Singapore. It has its registered office at 1 Robinson Road, #17-00 AIA Towers, Singapore, 048 542.

DHPL is primarily engaged in investment activities and acts as an investment holding company for our Company.

Capital Structure

The issued share capital of DHPL is USD $6,500,000 which comprises 6,606,628 equity shares out of which 574,713 and 531,915 ordinary shares were issued for a total consideration of USD $500,000 each

Shareholding

Our Company holds the entire issued and paid up share capital of DHPL.

Dodla Dairy Kenya Limited ("DDKL")

Corporate Information

DDKL was incorporated on May 24, 2017 as a private limited under the Companies Act, 2015 in the Republic of Kenya. It has its registered office at Avocado Towers, LR No. 209/1907, Muthithi Road, P. O. Box 45669 - 00100 - G.P.O Nairobi.

DDKL is primarily engaged in trading of dairy product in Kenya.

Capital Structure

The issued and paid up share capital of DDKL comprises 2,500 equity shares of KES 1,000 each.

Shareholding

Our Company's subsidiary DHPL holds 2,000 equity shares of face value of KES 1,000 each of DDKL constituting 80.00% of the issued and paid up share capital of DDKL.

Lakeside Dairy Limited ("LDL")

Corporate Information

LDL was incorporated on July 15, 2014 as a private limited company under the Companies Act No. 1 of 2012 in the Republic of Uganda. It has its registered office at Plot no. 4-8, Ntengye Road, Mbarara Municipality, Uganda.

LDL is primarily engaged in the business of, inter alia, manufacturing, processing, producing, preserving, canning, bottling, making, packing, re-packing, importing, buying, selling, supplying and distributing milk, evaporated milk, powdered milk, butter, cheese and all types of milk products including dairy whitener, non-dairy whitener to dairymen, grocers, general provision merchants and refreshment contractors.

Capital Structure

The authorised share capital of LDL comprises 200,000 ordinary shares of UGX 10,000 each. The issued and paid up share capital LDL comprises 200,000 ordinary shares of UGX 10,000 each.

Shareholding

Our Company's subsidiary DHPL holds 199,999 equity shares of face value of UGX 10,000 each of LDL constituting 99.99% of the issued and paid up share capital of LDL.

Our Associate Company

As on the date of this Draft Red Herring Prospectus, our Company has one Associate Company, GVC, which was incorporated as a joint venture company pursuant to a collaboration agreement dated January 10, 2009 between our Company, International Media and Cultures and Indira Gandhi Centre for Advanced Research on Livestock Private Limited.

Global Vetmed Concepts India Private Limited ("GVC")

For further information in relation to GVC, which has also been classified as our Group Company pursuant to a Board resolution dated July 13, 2018, see "*Our Group Companies*" on page 179.

Common Pursuits

Our Subsidiaries are engaged in activities similar to that of our Company or are enabled under their respective memorandums of association, to engage in activities similar to that of our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation if and when they arise.

Confirmations

None of our Subsidiaries are listed nor have they been refused listing on any stock exchanges in India or abroad.

None of our Subsidiaries have made any public or rights issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Except as disclosed in "*Financial Statements*" on page 184, there are no sales or purchases between our Company and our Subsidiaries where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Except as disclosed in "*Our Business*" and "*Related Party Transactions*" beginning on pages 136 and 182, our Subsidiaries do not have any business interests in our Company.

Summary of Key Agreements and Shareholders' Agreements

Shareholders Agreements

1. ***Shareholders Agreement dated May 2, 2017 entered into between our Company, Dodla Sunil Reddy, Dodla Sesha Reddy, Dodla Subba Reddy, Dodla Girija Reddy, Dodla Deepa Reddy, D Padmavathamma ("Listed Persons") and TPG Dodla Dairy Holdings Pte. Ltd. ("TDDHPL") ("TPG Investment Agreement") as amended by amendment agreement executed on July 12, 2017 between our Company, Listed Persons and TPG ("TPG SHA Amendment Agreement") and by the second amendment agreement executed on July 13, 2018 between our Company, TPG and the Listed Persons ("TPG SHA Second Amendment Agreement")***

In terms of the TPG Investment Agreement, TDDHPL acquired 109,379 equity shares from Dodla Sunil Reddy and Dodla Deepa Reddy (representing 3.34% of the share capital of our Company) and 774,823, equity shares were acquired from, Black River Capital Partners Food Fund Holdings, (Singapore) Pte. Ltd. ("**BR CPF**") (representing 23.66% of the share capital of our Company). The aggregate shareholding of TDDHPL pursuant to this investment was 884,202 representing 27.00% of the paid up share capital of our Company as on the date of the acquisition.

The TPG Investment Agreement confers certain rights and obligations upon the Listed Persons, our Company and TDDHPL including, inter alia, a put option to TDDHPL on the shares acquired by it, rights in relation a first offer to TDDHPL prior to issuance of additional capital by our Company, a right of first refusal in relation to transfers proposed to be effected by our Promoters and right of first offer of proposed transfers by the TDDHPL, a tag along right to TDDHPL in relation to transfer of shares held by our Promoters, affirmative voting rights in relation to certain reserved matters and rights to our Promoters, right of TDDHPL to nominate two directors ("**Investor Directors**") on the Board. The TPG Investment Agreement also confers on TDDHPL the right to require our Company and our Promoters to initiate the process for listing of our Company's Equity Shares on NSE or BSE or an internationally recognised stock exchange by way of qualified initial public offering of the securities of our Company. The following clauses shall survive the expiry or earlier termination of the TPG Investment Agreement, (i) Definitions and Interpretation, (ii) Announcements and Confidentiality, (iii) Indemnification, (iv) Governing Law and Submission to Jurisdiction, (v) Notices, (vi) Severability, (vii) Entire Agreement, (viii) Waiver, (ix) Costs and Expenses, (x) Assignment, and (x) Authorised Representative.

Our Company has executed the TPG SHA Amendment Agreement by which, the shareholding pattern as mentioned in the TPG Investment Agreement was amended increasing the shareholding of Dodla Sunil Reddy from 26.41% to 28.62% in our Company and decreasing the shareholding of Dodla Deepa Reddy from 10.09% to 7.88% in our Company.

Further, our Company has also executed the TPG SHA Second Amendment Agreement, which *inter alia*, states that the TPG Investment Agreement shall terminate with effect from the date of listing of the Equity Shares of our Company and that certain rights of TDDHPL such as rights to receive financial and other information shall be suspended upto listing of the Equity Shares of our Company. Additionally, it also provides for a right to TDDHPL, subject to approval of the post-Offer shareholders, to nominate 1 (one) director on the board of directors of our Company, until such time that TDDHPL continues to hold 5% (Five percent) of the fully diluted share capital of our Company.

2. ***Share Purchase Agreement dated May 2, 2017 between our Company, TDDHPL, and Dodla Sunil Reddy, Dodla Sesha Reddy, Dodla Subba Reddy, Dodla Girija Reddy, Dodla Deepa Reddy, D Padmavathamma ("Promoters") ("TDDHPL SPA 1") as amended by the first amendment to the TDDHPL SPA 1 dated July 3, 2017 ("SPA Amendment")***

Our Company executed the TDDHPL SPA 1 and the SPA Amendment, pursuant to which our Promoter, Dodla Sunil Reddy and our Shareholder Dodla Deepa Reddy agreed to transfer 4,163 and 105,216 Equity Shares of face value ₹10 each representing 3.34% of the equity share capital of our Company as on the date of the acquisition, respectively to TDDHPL.

3. ***Share Purchase Agreement dated May 2, 2017 between our Company, TDDHPL and Black River Capital Partners Food Fund Holding (Singapore) Pte. Ltd. ("Erstwhile Investor")("TDDHPL SPA 2")***

Our Company executed the TDDHPL SPA 2 pursuant to which TDDHPL has agreed to purchase 774,823 equity shares of face value ₹10 each, representing 23.66% of the equity share capital of our Company as on the date of the acquisition from the Erstwhile Investor.

4. ***Shareholders Agreement between Indira Gandhi Centre for Advanced Research on Livestock Private Limited ("IGCARL"), International Media and Cultures ("IMAC"), our Company and GVC (together as "Parties") dated August 26, 2009*** ("***SHA***")

Pursuant to the Collaboration Agreement, as described below, our Company has entered into the SHA which conferred certain rights and obligations upon the parties to it, which *inter alia* include, right of IGCARL to appoint at least two directors on the board of GVC, right of IMAC and our Company to appoint the remaining members on the board of GVC and the right to appoint the chairman of the board of GVC, affirmative voting rights in relation to certain reserved matters and management rights to IGCARL, a put option to Parties on the shares allotted to it. Additionally, the SHA also provides a lock in period for the shares held by IMAC and our Company in GVC and a restriction on IMAC and our Company from transferring of shares of GVC without prior written consent of IGCARL.

Other Material Agreements

Except as stated below, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding the date of this Draft Red Herring Prospectus.

1. ***Collaboration Agreement dated January 10, 2009 between our Company, International Media and Cultures ("IMAC") and Indira Gandhi Centre for Advanced Research on Livestock Private Limited ("IGCARL") ("Collaboration Agreement")***

Our Company, along with IMAC, have entered into a Collaboration Agreement with IGCARL pursuant to which our joint venture company GVC was incorporated to provide facilities and services to conduct livestock research and related activities. In terms of the Collaboration Agreement, GVC is required to procure necessary scientific apparatus and appoint qualified personnel and other staff to carry out research in the areas, *inter alia*, livestock, life sciences and biotechnology. Additionally, the Collaboration Agreements provides that the land requirements for this project would be met by IGCARL. The Collaboration Agreement also provides for the shareholding of IGCARL in GVC to be limited to 26%. GVC is required to utilize the land granted by IGCARL in terms of the master plan submitted by GVC. The right to transfer of equity shares of all the parties under the Collaboration Agreement is subject to a right of first refusal in favour of the other parties. Our Company along with IMAC, is obligated to use the land granted only for the purposes of the project and nothing else.

2. ***Dairy Project Development Agreement dated April 1, 2014 between our Company and GVC ("DPDA")***

Pursuant to the Collaboration Agreement, GVC was given possession of land belonging to IGCARL at Pulivendula, Kadapa, Andhra Pradesh for developing and operating a project to provide facilities and services related to livestock research and related products ("**Project Facility Area**"). Subsequently, our Company entered into a DPDA with GVC, in order to effectively use the Project Facility Area. Pursuant to the terms of the DPDA, our Company is required to maintain the dairy livestock at the Project Facility Area, which would be managed by GVC. The milk produced in the Project Facility Area is required to be shared between the Company and GVC in the ratio 75% and 25% respectively. The DPDA is valid for a period of five years from the date of execution and may be renewed for an additional period on mutually agreed terms and conditions. Upon termination of the DPDA, GVC shall continue to remain liable for all outstanding dues payable to our Company up to the effective date of termination, our Company shall be entitled to remove and take back any additions or improvements to the Project Facility Area carried out by our Company which are not permanently fastened to the earth, and take back the livestock belonging to our Company.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not less than three Directors provided that in the event our Company undertakes the Offer, it can have as many number of directors that are required to satisfy corporate governance requirements. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of Board and constitution of our committees.

As on the date of this Draft Red Herring Prospectus, our Board comprises eight Directors.

The following table sets forth details regarding our Board:

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
1.	**Dodla Sesha Reddy** ***Designation:*** Chairman and Non- Executive Director ***Address:*** 2, Bishop Wallers, Avenue (West), Mylapore, Chennai, 600 004, Tamil Nadu, India ***Occupation:*** Business ***Nationality***: Indian ***Term:*** Liable to retire by rotation ***DIN:*** 00520448	76	*Indian Companies* • Nelcast Limited • Dodla Enterprises Private Limited *Foreign Companies* Nil
2.	**Dodla Sunil Reddy** ***Designation:*** Managing Director ***Address:*** 8-2-696/697 G 04/05 La Creative Heights Road No. 12, Banjara Hills, Hyderabad, 500 034, Telangana, India ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** For a period of five years from April 1, 2016 to March 31, 2021* ***DIN:*** 00794889	50	*Indian Companies* • Dodla Enterprises Private Limited • Dodla Trusteeship Services Private Limited • Global Vetmed Concepts India Private Limited • Simply Fresh Private Limited *Foreign Companies* • Dodla Holdings PTE Limited • Lakeside Dairy Limited • Dodla Dairy Kenya Limited
3.	**Madhusudhana Reddy Ambavaram** ***Designation:*** Whole-time Director ***Address:*** 10-3-32/9/29/B, East Maredpally, Near OBC Secunderabad, 500 026, Telangana, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** For a period of five years from May 3, 2018 to April 30, 2023* ***DIN:*** 08126380	49	*Indian Companies* Nil *Foreign Companies* Nil
4.	**Akshay Tanna** ***Designation:*** Non-Executive Nominee Director	35	*Indian Companies* • Automark Motors Private Limited

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Address: A/72, Darshan Apts, Mount Pleasant Road, Malabar Hill, Nr Chief Ministers Bungalow, Mumbai, 400 006, Maharashtra, India ***Occupation:*** Professional ***Nationality***: Indian ***Term:*** Not liable to retire by rotation ***DIN:*** 02967021		• Jhara Finance Private Limited • Landmark Insurance Brokers Private Limited • Landmark Commercial Vehicles Private Limited • Lenskart Solutions Private Limited *Foreign Companies* • Lakeside Dairy Limited
5.	**Kishore Mirchandani** ***Designation:*** Independent Director ***Address***: 450 Alton Rd, Apt 3506, Miami Beach, 33139-0000, Florida ***Occupation***: Business ***Nationality***: American ***Term***: Five years from March 30, 2015 ***DIN***: 00739535	68	*Indian Companies* • Simply Fresh Private Limited *Foreign Companies* • Avestar Holdings LLC, New York • Algoma Steel, Canada • Comply Global Pte Limited Singapore • One Paper Lane Inc NY USA • TMA Group, Miami
6.	**Ponnavolu Divya** ***Designation***: Independent Director ***Address***: 54, Kasthuri Rangan Road, Alwarpet, Chennai, 600 018, Tamil Nadu, India ***Occupation***: Business ***Nationality***: Indian ***Term***: Five years from March 30, 2015 ***DIN***: 05158352	35	*Indian Companies* • Nelcast Limited • NC Energy Limited • Ponnas Infrastructure Private Limited *Foreign Companies* • Uptown Hospitality LLC
7.	**Rampraveen Swaminathan** ***Designation***: Independent Director ***Address***: Fl No-C-1, Block-C, Meenakshi Trident Towers, Near Raheja Mindspace Circle, Gachibowli, 500 032, Telangana, India ***Occupation***: Service ***Nationality***: Indian ***Term***: Five years from July 17, 2018 ***DIN***: 01300682	44	*Indian Companies* Nil *Foreign Companies* Nil
8.	**Raman Tallam Puranam** ***Designation***: Independent Director ***Address***: C-3, Ashreya, No. 11/23, Raman Street, T. Nagar,	76	*Indian Companies* • Lancor Holdings Limited *Foreign Companies*

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Chennai, 600 017, Tamil Nadu, India ***Occupation***: Retired professional ***Nationality***: Indian ***Term***: Five years from July 17, 2018 ***DIN***: 00320782		Nil

** Also liable to retire by rotation*

In compliance with Section 152 of the Companies Act, not less than two-thirds of the Directors, other than our Independent Directors, are liable to retire by rotation.

Relationship between our Directors

Except Dodla Sesha Reddy, who is the father of Dodla Sunil Reddy, none of our Directors are related to each other.

Brief Biographies of Directors

Dodla Sesha Reddy is the Chairman and non-executive Director on the Board of our Company. He holds a bachelor's degree in arts from Nizam College. He has been associated with our Company for more than 20 years and has dairy industry experience of more than 20 years and has not held any other positions in the past. He is currently a director on the board of Nelcast Limited. He is responsible for ensuring active engagement of board members and effective decision making process to be followed in our board and committee meetings.

Dodla Sunil Reddy is the Managing Director of our Company. He holds a bachelor's degree in engineering from Mangalore University. He has been associated with our Company since incorporation and has more than 23 years of experience in the dairy industry and has not held any other positions in the past. He is responsible for setting up our business strategy with a focus on accountability, competitive performance and value creation.

Madhusudhana Reddy Ambavaram is a whole-time Director of our Company. He holds a bachelor's degree in law from Sri Venkateswara University and a master's degree in business administration from Dr. B.R. Ambedkar Open University. Additionally, he also has a post graduate diploma in human resource management from Pondicherry University, a post graduate diploma in business and administrative management from the Andhra Pradesh Productivity Council and a diploma in journalism from DNF College of Journalism. He is enrolled as an advocate on the rolls of the bar council of the State of Andhra Pradesh. He has previously worked with Imperial Granites Limited and has 12 years of experience in the dairy industry. He is incharge of the legal compliance in relation to industrial and labour laws and the human resource functions of our Company and joined our Company on October 1, 2006.

Akshay Tanna, is, a Non-Executive Nominee Director on the Board of our Company. He holds a bachelor's degree in economics from the University of Pennsylvania. He has worked in organisations such as Deutsche Bank and Merrill Lynch, Pierce, Fenner & Smith, Inc in the past. He also serves as a director on, *inter alia*, the boards of Lenskart Solutions Private Limited and Landmark Commercial Vehicles Private Limited.

Kishore Mirchandani is an Independent Director on the Board of our Company. He holds a bachelor's degree in Science from the City University, London. He is a Certified Public Accountant in the state of New York and a member of the American Institute of Certified Public Accountants. He has 30 years of experience in various industries. He has previously been, *inter alia*, associated with SmartShift Technologies Inc., Outsource Partners International, Inc. and Russell Bedford Stefanou Mirchandani LLP. He currently serves on the boards of Avestar Holdings LLC, TMA Group Miami., Comply Global Pte Limited Singapore, Algoma Steel and One Paper Lane Inc NY USA.

Ponnavolu Divya is an Independent Director on the Board of our Company. She holds a bachelor's degree in engineering from Stevens Institute of Technology, a minor concentration in electrical engineering from the Stevens Institute of Technology and a master's degree in engineering (networked information system) from Stevens Institute of Technology. Additionally, she has also completed a graduate certificate program in wireless communications from Stevens Institute of Technology. She has various years of experience and was previously working with Deutsche Bank as Global Head for Change Governance, SLM Operations, Configuration Management and PC Power Management. She also serves as a director on the boards of Nelcast Limited, NC Energy Limited and Ponnas Infrastructure Private Limited and is also a member of Uptown Hospitality LLC. She is also the Vice President of Sri Sri Venkateswara Educational Society, under which, she is the co-founder of Avenues School.

Rampraveen Swaminathan is an Independent Director on the Board of our Company. He holds a bachelor's degree in commerce

from St. Joseph's College of Commerce and a post graduate diploma in management from the T.A. Pai Management Institute. He over 10 years of experience in various industries and has previously worked with Cummins India Limited and International Paper (India) Private Limited, where he was the president and managing director for a period of over two years. He was previously on the boards of International Paper APPM Limited and IP India Foundation.

Raman Tallam Puranam is an independent Director on the Board of our Company. He holds a bachelor's degree and a master's degree in commerce from Osmania University. He has previously worked with SBI Capital Markets Limited and was the managing director and chief executive officer of Sundaram Asset Management Company Limited for over 15 years.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is, or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of the Executive Directors

Dodla Sunil Reddy

The terms of appointment of Dodla Sunil Reddy are as per the appointment agreement dated April 25, 2016 as amended on July 3, 2017 and further amended by the employment amendment agreement dated May 3, 2018 (collectively the "**DSR Appointment Agreement**").

Term	From the effective date of the DSR Appointment Agreement, i.e. July 3, 2017 till the termination of the same as provided for in the DSR Appointment Agreement
Compensation and benefits	As per the terms of the DSR Appointment Agreement, our Managing Director is entitled to a basic salary of ₹1.75 million per month. In addition to this, he is also entitled to the following allowances and perquisites- • Two cars with drivers maintained by the Company for official use; • Salary advances and loans as per the policy of our Company; • Earned privileged leave earned but not availed. This will be paid at the time of retirement/leaving our Company; • One time membership fee of ₹4 million in two premium club and reimbursement of annual subscription fee in the premium clubs, up to a maximum amount of ₹0.6 million per annum; • Contribution to provident fund with a ceiling of ₹0.1 million per month; and • House keeping, security allowance and utility allowance up to max of 4.08 million per annum
Termination	The DSR Appointment Agreement may be, *inter alia*, terminated by way of the following- • Our Company or the Managing Director may terminate the DSR Appointment Agreement by giving a twelve month prior notice after the Committed Period; and • Our Company may terminate the DSR Appointment Agreement if (i) in the reasonable opinion of the Company, the Managing Director has committed any material breach of the DSR Appointment Agreement or the Shareholders' Agreement, (ii) breached fiduciary duty, made false representations, submitted false documents, suppressed material facts, been grossly negligent, committed wilful misconduct or such act which is likely to affect the reputation or operations of the Company, and (iii) committed any offence involving moral turpitude with respect to the Company

Madhusudhana Reddy Ambavaram

The terms of appointment of Madhusudhana Reddy Ambavaram are as per employment agreement dated May 4, 2018 ("**MR Employment Agreement**")

Term	From the effective date of the MR Employment Agreement, i.e. May 4, 2018 till the termination of the same as provided for in the MR Employment Agreement
Compensation and benefits	As per the terms of the MR Appointment Agreement, our whole-time Director is entitled to a basic salary of ₹87,500 per month. In addition to this, he is also entitled to the following allowances and perquisites- • Encashment of earned leaves but not availed; • Employer provident fund, exgratia and gratuity as per company policy; and • Vehicle maintenance and fuel at the rate of ₹0.15 million per annum
Termination	The MR Employment Agreement may be, *inter alia*, terminated by way of the following-

	• Our Company or the Whole-time Director may terminate the MR Employment Agreement by giving 3 month prior notice; and • Our Company may terminate the MR Employment Agreement if (i) in the reasonable opinion of the Company, the Whole-time Director has committed any material breach of the MR Employment Agreement or the Shareholders' Agreement, (ii) breached fiduciary duty, made false representations, submitted false documents, suppressed material facts, been grossly negligent, committed wilful misconduct or such act which is likely to affect the reputation or operations of the Company, and (iii) committed any offence involving moral turpitude with respect to the Company

Payment or benefit and remuneration to Directors of our Company

The sitting fees/ other remuneration paid to our Directors in Fiscal 2018 are as follows:

Remuneration to Executive Director**:**

The details of remuneration paid to the Executive Directors of our Company in Fiscal 2018 are set forth in the table below:

S.No.	Name of the Director	(₹ million)
1.	Dodla Sunil Reddy	21.67
2.	Madhusudhana Reddy Ambavaram*	2.07

**Appointed as an whole time director on May 4, 2018*

Remuneration to Non-Executive Directors:

Our Company has, pursuant to a board resolution dated December 17, 2015, fixed ₹50,000 payable to our non–executive Independent Directors for attending the meetings of our Board and its committees thereof. Additionally, by the aforementioned board resolution the Company has also fixed ₹0.1 million as being payable to Kishore Mirchandani, our Independent Director, for attending meetings of the Board and its committees thereof.

Our Company does not pay any sitting fees to our non-executive Nominee Director for attending the meetings of our Board or the committees thereof.

Additionally, our Company, pursuant to a board resolution dated December 17, 2015 and a shareholders' resolution dated January 11, 2016, pays a consultancy fee of ₹0.3 million per month for a period of five years from January 1, 2016 to our Chairman, Dodla Sesha Reddy

The details of the remuneration paid to the Non-Executive Directors of our Company in Fiscal 2018 are set forth in the table below:

S.No.	Name of the Director	(₹ million)
3.	Dodla Sesha Reddy*	3.60
4.	Zubin Jamshed Irani(1)	Nil
5.	Akshay Tanna	Nil
6.	Kishore Mirchandani	1.20
7.	Ponnavolu Divya	0.60
8.	James David Sayre(2)	Nil
9.	Deepak Malik(3)	Nil
10.	Vishwarupe Narain(4)	Nil

(1) Resigned with effect from August 2, 2018
(2) Resigned with effect from July 20, 2017
(3) *Resigned with effect from July 20, 2017*
(4) *Resigned with effect from October 13, 2017*
* *Includes the consultancy fee paid by our Company*

Contingent or deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our Directors which does not form part of their remuneration

Arrangement or understanding with major Shareholders, customers, suppliers or others

Other than our Director, Akshay Tanna, who has been nominated to our Board pursuant to Shareholders' Agreement dated May 2, 2017 entered into amongst our Company, our Promoters, Dodla Deepa Reddy, Dodla Subba Reddy, D. Girija Reddy, D. Padmavathamma and TDDHPL, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors has been appointed on the Board. For further details, "*History and Certain Corporate Matters- Summary of Key Agreements and Shareholders' Agreements*" on page 160.

Shareholding of Directors in our Company

The shareholding of our Directors in our Company as of the date of filing of this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)	Post-Offer Percentage Shareholding (%)
Dodla Sesha Reddy	556,716	1.00	[●]
Dodla Sunil Reddy	14,857,479	26.69	[●]

Our Articles of Association do not require our Directors to hold any qualification shares.

Interest of Directors

All Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Interest in land and property

Except as stated in "*Our Promoter and Promoter Group- Interest of Promoters in property of our Company*" on page 177 our Directors have no interest in any property acquired by our Company within two years prior to the date of this Draft Red Herring Prospectus or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of building and supply of machinery.

Certain Directors may also be regarded as interested in the Equity Shares, if any, held by them or Equity Shares that may be subscribed by or allotted to them, their relatives or to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer.

Certain of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them or the shareholder they represent. In particular, our non-executive Nominee Directors, may be deemed to be interested to the extent of the shareholding of TDDHPL in our Company.

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to our Directors.

None of our Directors are party to any bonus or profit sharing plan of our Company.

Interest in promotion of our Company

Except, Dodla Sunil Reddy, our Managing Director, and Dodla Sesha Reddy, our Chairman, who are also the individual Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

Business interest

Except as stated in this sub-section and "*Related Party Transactions*" on page 182, our Directors do not have any other interest in our business or our Company.

Service Contracts with Directors and Key Management Personnel

Except as disclosed under " – *Terms of appointment of the Executive Directors*" on page 165, none of our Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment, and statutory benefits payable upon termination of employment in our Company or upon retirement.

Changes in our Board in the last three years

The changes in our Board in the last three years preceding the date of filing of this Draft Red Herring Prospectus are as follows:

Name	Date of Appointment/ Resignation/ Redesignation	Reason
Dodla Sunil Reddy	April 25, 2016	Re-appointed as Managing Director
James David Sayre	July 20, 2017	Resigned as Director
Deepak Malik	July 20, 2017	Resigned as Director
Vishwarupe Narain	July 21, 2017	Appointed as an Additional director

Name	Date of Appointment/ Resignation/ Redesignation	Reason
Akshay Tanna	July 21, 2017	Appointed as an Additional director
Vishwarupe Narain	July 21, 2017	Redesignated as a Director
Akshay Tanna	July 21, 2017	Redesignated as a Director
Vishwarupe Narain	October 13, 2017	Resigned as Director
Zubin Jamshed Irani	November 3, 2017	Appointed as an additional Director
Zubin Jamshed Irani	March 23, 2018	Redesignated as a Director
Madhusudhana Reddy Ambavaram	May 3, 2018*	Appointed as a whole-time director
Rampraveen Swaminathan	July 13, 2018	Appointed as an additional independent Director
Raman Tallam Puranam	July 13, 2018	Appointed as an additional independent Director
Akshay Tanna	July 13, 2018	Redesignated as nominee Director
Rampraveen Swaminathan	July 17, 2018	Redesignated as an independent Director
Raman Tallam Puranam	July 17, 2018	Redesignated as an independent Director
Zubin Jamshed Irani	August 2, 2018	Resigned as a Director

**Shareholders' approval for appointment as a whole-time Director was obtained on July 17, 2018*

Borrowing Powers of Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on July 17, 2018, our Board is authorised to borrow such sum or sums of money or monies for the purposes of the business of our Company as may be required from time to time either in foreign currency and/ or in Indian rupees, on such terms and conditions and with or without security as our Board may think fit, which together with the monies already borrowed by our Company, may exceed the aggregate for the time being of the paid up capital of our Company and its free reserves, provided that the total amount of money/ monies so borrowed by our Board shall not at any time exceed the limit of ₹5,000 million.

Corporate Governance

In addition to the corporate governance provisions under the Companies Act, 2013, which are currently applicable to us, the corporate governance provisions of the SEBI Listing Regulations will also become applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges.

Currently, our Board has eight Directors, including one woman director. In compliance with the requirements of SEBI Listing Regulations, we have two executive Director, one non-executive Director, four Independent Directors and one Non Executive Nominee Director on our Board.

Committees of our Board

Our Company is in compliance with corporate governance norms prescribed under the SEBI Listing Regulations in relation to board level committees.

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

(a) Kishore Mirchandani (*Chairman*);

(b) Raman Tallam Puranam

(c) Rampraveen Swaminathan; and

(d) Dodla Sunil Reddy

The Audit Committee was constituted by a meeting of our Board held on May 15, 2015 and last reconstituted on July 13, 2018. The terms of reference of the Audit Committee were amended by a resolution of our Board dated July 13, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations and its terms of reference include the following:

a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the internal auditor, cost auditor and statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory, internal and cost auditors for any other services rendered by statutory, internal and cost auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

(ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgment by management;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications and modified opinions in the draft audit report;

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of the Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval or any subsequent modification of transactions of the Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Explanation: *The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

k) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

l) Evaluating undertakings or assets of the Company, wherever necessary;

m) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

n) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

o) 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;

p) Discussion with internal auditors on any significant findings and follow up thereon;

q) 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;

r) Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s) Looking 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;

t) Approval of appointment of the chief financial officer (*i.e.*, the whole-time Finance Director or any other person heading the

finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

u) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

v) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

w) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

x) To investigate activity within its terms of reference;

y) To seek information from any employees;

z) To obtain outside legal or other professional advice;

aa) To secure attendance of outsiders with relevant expertise, if it considers necessary;

bb) To have full access to the information contained in the records of the Company;

cc) Management discussion and analysis of financial condition and result of operations;

dd) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

ee) Management letters/letters of internal control weaknesses issued by the statutory auditors;

ff) Internal audit reports relating to internal control weaknesses;

gg) The appointment, removal and terms of remuneration of the chief internal auditor;

hh) Statement of deviations:

(1) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(2) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

a. Raman Tallam Puranam (*Chairman*);

b. Akshay Tanna

c. Dodla Sunil Reddy

The Stakeholders Relationship Committee was constituted by our Board of Directors at their meeting held on July 13, 2018. The terms of reference of the Stakeholders' Relationship Committee, *inter alia*, include the following:

1. redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;

2. giving effect to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

3. dematerialisation of shares and re-materialisation of shares, issue of duplicate certificates and new certificates on split/consolidation/renewal;

4. overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

5. carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law..”

Nomination, Remuneration and Compensation Committee

The members of the Nomination and Remuneration Committee are:

(a) Rampraveen Swaminathan (*Chairman*);

(b) Dodla Sesha Reddy;

(c) Kishore Mirchandani; and

(d) Akshay Tanna

The Nomination, Remuneration and Compensation Committee was constituted by a meeting of our Board held on May 15, 2015 and was last reconstituted on July 13, 2018. The terms of reference of the Nomination, Remuneration and Compensation Committee were amended by a resolution of our Board dated July 13, 2018. The scope and function of the Audit Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and its terms of reference include the following:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of performance of independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including the following:

   (i) administering the "Dodla Dairy Limited Employee Stock Option Plan 2018" (the "**Plan**");

   (ii) determining the eligibility of employees to participate under the Plan;

   (iii) granting options to eligible employees and determining the date of grant;

   (iv) determining the number of options to be granted to an employee;

   (v) determining the exercise price under of the Plan;

   (vi) deciding on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc. and

   (vii) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;

j) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

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

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determine 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; and

l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

(a) Dodla Sesha Reddy (Chairman);

(b) Akshay Tanna; and

(c) Ponnavolu Divya

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on May 15, 2015 and was last reconstituted on July 13, 2018. The terms of reference of the Corporate Social Responsibility Committee include the following:

a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility policy of the Company, from time to time and programmes thereunder, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

IPO Committee

The members of the IPO Committee are:

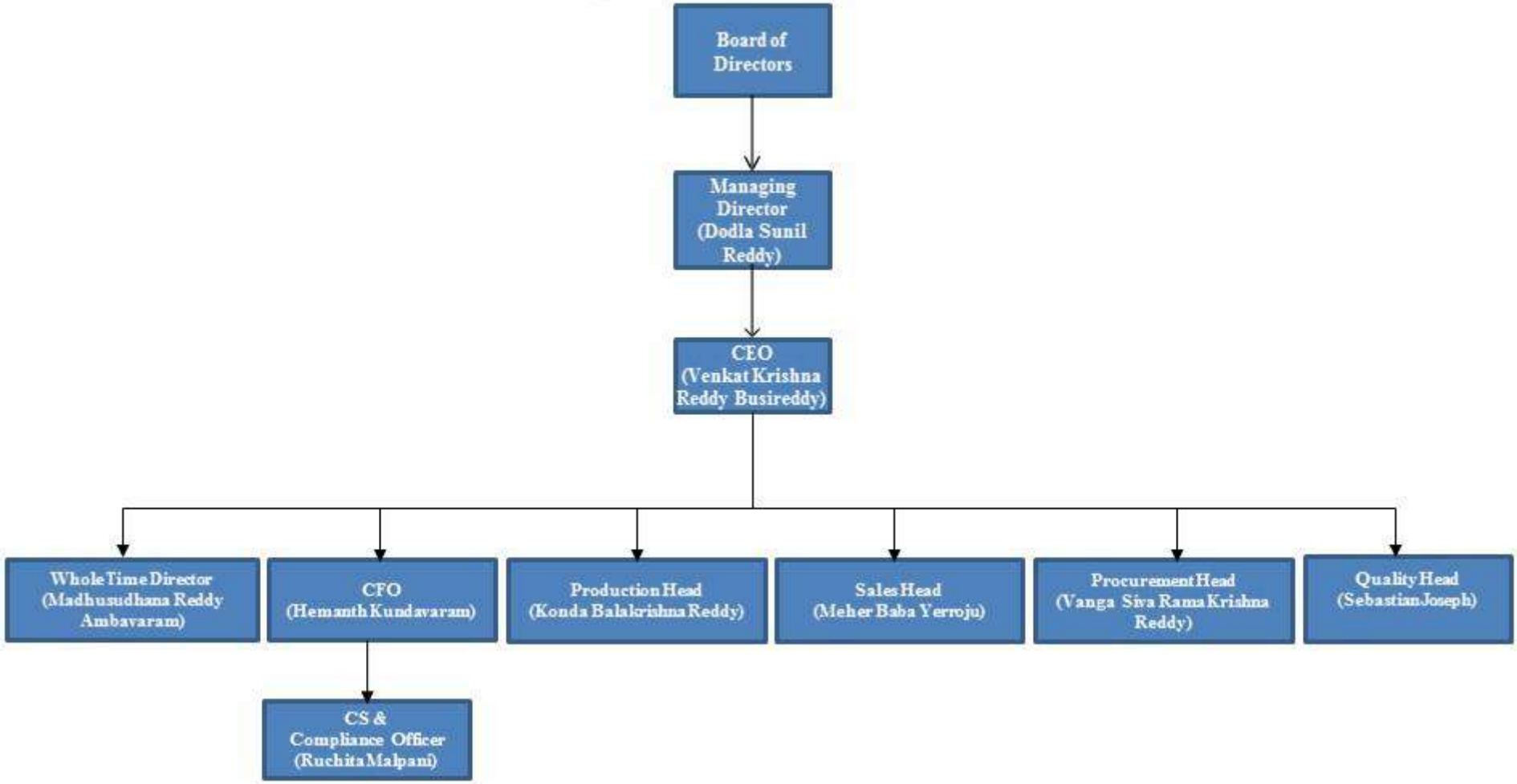
(a) Kishore Mirchandani (Chairman);

(b) Dodla Sunil Reddy

(c) Akshay Tanna

The IPO Committee was constituted by our Board of Directors on July 13, 2018. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Organisation Structure



Key Management Personnel

The details of the Key Management Personnel of our Company are as follows:

For details in relation to Dodla Sunil Reddy and Madhusudhana Reddy Ambavaram, our Managing Director and whole-time director respectively, see "– *Brief Biographies of Directors*" and "– *Terms of Appointment of the Executive Directors*" on pages 164 and 165.

Hemanth Kundavaram is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Sri Venkateswara University. He has cleared the final examination held by the Institute of Chartered Accountants of India ("**ICAI**") and is also a fellow member of the ICAI. He has over 14 years of experience in various industries. Prior to joining our Company, he worked with Ford Business Services Center Private Limited, IBM Daksh Business Process Services Private Limited, Thomson Coporation (International) Private Limited, Rockwell Collins India Enterprise Private Limited and Tintometer India Private Limited in various roles. He last worked with Cogent Glass Limited as the Chief Financial Officer. He was awarded the 'CFO 100' in March 2018 by the 9.9 Group. He joined our Company on October 23, 2015. He was appointed as a Key Management Personnel on July 13, 2018. During Fiscal 2018, he was paid a compensation of ₹5.12 million.

Venkat Krishna Reddy Busireddy is the Chief Executive Officer of our Company. He holds a bachelor's degree in dairy technology from Osmania University. He has over 33 years of experience in the dairy sector. He has been with our Company for more than 21 years. Prior to joining our Company, he was associated with Premier Extractions Limited. He was appointed as a Key Management Personnel on March 26, 2015. During Fiscal 2018, he was paid a compensation of ₹46.43 million

Ruchita Malpani is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in commerce from Osmania University College for Women and is as an associate member of the ICSI. Prior to joining our Company, she was associated with GVK Technology and Consultancy Services Private Limited as the assistant company secretary. She has over five years of experience in various industries. Ruchita Malpani joined our Company on February 10, 2016, when she was appointed as the Company Secretary of our Company. She was appointed as a Key Management Personnel on April 1, 2016. Subsequently, on July 13, 2018, she was appointed as the Compliance Officer of our Company. During Fiscal 2018, she was paid a compensation of ₹0.68 million.

All the Key Management Personnel are permanent employees of our Company.

Senior Management Personnel

The details of the Senior Management Personnel of our Company are as follows:

Konda Balakrishna Reddy is production head of our Company. He holds a bachelor's degree in computer applications from the University of Madras and also has a diploma in dairy technology from the Indian Council of Agricultural Research. He joined our Company in 2014. He previously worked with Dharampuri District Cooperative Milk Producers' Union Limited for a period of 23 years and Heritage Foods Limited for a period of eight years.

Meherbaba Yerroju is the sales head of our Company. He has a bachelor's degree in science from Osmania University and has cleared the diploma examination for marketing and sales management conducted by the Rajendra Prasad Institute of Communication and Management. He joined our Company in 2017. He has an experience of over 31 years in various industries. He has previously worked with Bakelite Hylam Limited, Glaxo Laboratories (India) Limited, Nestle India Limited, Gillette India Limited and Heinz India Private Limited.

Sebastian Joseph is the quality head of our Company. He holds a bachelor's degree in agricultural engineering from University of Allahabad and a master's degree in technology from Indian Institute of Technology, Kharagpur and a post graduate diploma in production management from St. Joseph's College of Business Administration. Further, he has also obtained certification from IRCA for completion of training courses on ISO/FSSC 22000 for food safety management systems auditor/lead auditor and has completed the ISO 9000 auditor/lead auditor training course. He has previously worked with the National Dairy Development Board and has over 30 years of experience. He joined our Company in 2010.

Siva Rama Krishna Reddy Vanga is a consultant with our Company and the procurement head of our Company. He has previously worked with Milkoma Foods Private Limited, National Dairy Development Board and M.P.C.S Vallabhapuram. He joined our Company in 2002.

Shareholding of Key Management Personnel

Except as disclosed below, none of our Key Management Personnel hold any Equity Shares as of the date of filing of this Draft Red Herring Prospectus:

Name	Number of Equity Shares	Pre-Offer Shareholding (%)	Post-Offer Shareholding (%)
Dodla Sunil Reddy	14,857,479	26.69	[●]

Name	Number of Equity Shares	Pre-Offer Shareholding (%)	Post-Offer Shareholding (%)
Venkat Krishna Reddy Busireddy	679,201	1.22	[●]
Total	**15,536,680**	**27.91**	**[●]**

Bonus or profit sharing plan of the Key Management Personnel

There is no profit sharing plan for the Key Management Personnel. Our Company makes certain performance linked bonus payment for each Fiscal to certain Key Management Personnel as per their respective terms of employment.

Interests of Key Management Personnel

Except Dodla Sunil Reddy who is our Promoter and holds 14,857,479 Equity Shares and Venkat Krishna Reddy Busireddy, who is our CEO and holds 679,201 Equity Shares in our Company and and options granted to him under our ESOP Plan, as on the date of filing of this Draft Red Herring Prospectus and as stated in relation to Dodla Sunil Reddy in "*Our Promoter and Promoter Group*" on page 176 and "*Capital Structure*" on page 69, the other Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of the Key Management Personnel have been paid any consideration of any nature from our Company, other than their remuneration. There is no contingent or deferred compensation payable to our Key Management Personnel which does not form part of their remuneration.

Understanding with the major shareholders, customers, suppliers or others

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

No loans have been availed by the Key Management Personnel from our Company.

Relationship among Key Managerial Personnel

None of the Key Management Personnel are related to each other.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years preceeding the date of filing of this Draft Red Herring Prospectus are as follows:

Name	Designation	Date of change	Reason for change
Ruchita Malpani	Company Secretary	April 1, 2016	Appointment
Dodla Sunil Reddy	Managing Director	April 25, 2016	Re-appointment
Madhusudhana Reddy Ambavaram	Whole-time Director	May 3, 2018	Appointment
Hemanth Kundavaram	Chief Financial Officer	July 13, 2018	Appointment

Payment or Benefit to officers of our Company

No amount or benefit has been paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two years preceding the date of filing of this Draft Red Herring Prospectus. No such amount or benefit is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors.

ESOP Plan

For details of the Company's ESOP Plan, see "*Capital Structure- Employee Stock Option Plans*" on page 76

OUR PROMOTER AND PROMOTER GROUP

Dodla Sunil Reddy, Dodla Sesha Reddy and the Dodla Family Trust are the Promoters of our Company. Our Promoters hold an aggregate of 31,559,072 Equity Shares, aggregating to 56.69% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details, see "*Capital Structure*" on page **69**.

Dodla Sesha Reddy

Dodla Sesha Reddy (DIN: 00520448), aged 76 years, is a resident Indian national. For further details in respect of his address, educational qualifications, professional experience, posts held in the past and other directorships, special achivements, business and financial activities, see *"Our Management"* on page 164.

He holds a driver's license no. AP02619830002257 and a voter's identification card bearing no. KSV0782060.

Dodla Sesha Reddy holds 556,716 Equity Shares in our Company. Other than as disclosed in "– *Our Promoter Group*", "*History and Certain Corporate Matters*" and "*Our Management*" on pages 178, 156 and 162, respectively, Dodla Sesha Reddy is not involved in any other venture.

Dodla Sunil Reddy

Dodla Sunil Reddy (DIN: 00794889), aged 50 years, is the Managing Director of our Company. He is a resident Indian national. For further details in respect of his address, educational qualifications, professional experience, posts held in the past and other directorships, special achivements, business and financial activities, see *"Our Management"* on page 164.

He holds a voter's identification card bearing no. FYY5578224. He does not have a driver's license.

Dodla Sunil Reddy holds 14,857,479 Equity Shares in our Company. Other than as disclosed in "– *Our Promoter Group*", "*History and Certain Corporate Matters*" and "*Our Management*" on pages 178, 156 and 162, respectively, Dodla Sunil Reddy is not involved in any other venture.

Dodla Family Trust ("**DFT**")

Trust Information

The DFT was formed pursuant to a trust deed dated May 11, 2018 (the "**Trust Deed**"). The office of DFT is located at 301, 3rd Floor, NED Chambers, 8-2-694/697, Road No. 12, Banjara Hills, 500 034, Hyderabad, Telangana.

Dodla Sunil Reddy and Dodla Sesha Reddy are the settlors of the DFT.

As of the date of filing of this Draft Red Herring Prospectus, DFT holds 16,144,877 Equity Shares in our Company.

Board of Trustees

The Trustees of DFT as on date of this Draft Red Herring Prospectus are Dodla Trusteeship Services Private Limited and Dodla Sesha Reddy.

Beneficiaries of DFT

The beneficiaries of DFT include (i) Dodla Girijamma; (ii) Dodla Sunil Reddy; (iii) D. Rahul Reddy; (iv) D. Silpa Reddy; (v) D. Swapna Reddy (collectively the "**Immediate Beneficiaries**"). Additionally, after Dodla Sunil Reddy's lifetime, his grandchildren would be considered beneficiaries of DFT. Further, in case of D. Rahul Reddy, D. Silpa Reddy and D. Swapna Reddy, the beneficiaries will also include their children out of wedlock (with Immediate Benefiaries, the "**Beneficiaries**").

Objects and Function

The overall objective of DFT is to provide for well-being of the Beneficiaries. Other objects, *inter alia*, include (i) to retain close family bonds and ensure unity amongst the family members; and (ii) to provide a framework for succession.

Under the Trust Deed, the trustees of DFT have certain rights and obligations. These rights and obligations *inter alia*, include the rights to carry out and operate all transactions in the name of DFT, diligently exercise their duties in achieving the objectives of DFT and maintain proper accounts with respect to the administration of DFT.

Interests of Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For details regarding the shareholding of our Promoters in our Company, see "*Capital Structure*" and "*Our Management*" on pages 73 and 167, respectively. Dodla Sunil Reddy is the Managing Director of our Company and Dodla Sesha Reddy is the Chairman and Non-Executive Director of our Company and hence they may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them. For further details, see "*Our Management – Interest of Directors*" on page 167. Except as disclosed in the "*Capital Structure"* and "*Our Management*" on pages 69 and 162 respectively, our Promoters have no other interests in our Company.

Interests of Promoters in property of our Company

Our Promoters have no interest in any property acquired in the two years preceding the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which they are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or otherwise for services rendered by such Promoter(s) or by such firms or Companies in connection with the promotion or formation of our Company.

Related Party Transactions

Except the related party transactions entered into by our Company as disclosed in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements which are not in the ordinary course of business during the preceding two years from the date of this draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, see "*Related Party Transactions*" on page 182.

Interest of Promoters in Sales and Purchases

There are no sales or purchase between the Subsidiaries and our Company where such sales or purchase exceed in value in the aggregate 10% of the total sales or purchase of our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in "*Related Party Transactions*", "*Our Management*", "*Financial Statements"* and "*– Business Interests*" on pages 182, 166, 184 and 177 respectively, no amount or benefit has been paid or given to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or Promoter Group.

Confirmations

Our Promoters, relatives, as per Companies Act, 2013, of our Promoters and members of our Promoter Group have not been declared as Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group or any other person in control of our Company have not been debarred prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority or which is a Wilful Defaulter.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time. Our Promoters are not related to any of our sundry debtors or beneficiaries of loans and advances provided by our Company.

Our Company does not have an unsecured loan taken from any our Promoters which may be recalled at any time.

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters, as applicable shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Common Pursuits

Our Promoter is not involved in any other venture which is in the same line of activity or business as us.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company in the immediately preceding five years from the date of filing of this Draft Red Herring Prospectus.

Our Promoter Group

In addition to the Promoters named above, the following individuals and entities form part of the Promoter Group of our Company.

A. Natural persons who are part of the Promoter Group

- Dodla Deepa Reddy;
- Dodla Girija Reddy;
- D. Padmavathamma;
- D. Silpa Reddy;
- Dodla Subba Reddy;
- Bommi Surekha Reddy;
- D. Swapna Reddy;
- G. Santhamma;
- K.Haritha;
- M.Sreenivasulu Reddy;
- M. Syama Reddy;
- P.Dwaraknath Reddy;
- P.JaganMohan Reddy
- P.Sivakumar Reddy;
- P.Sudhakar Reddy;
- M. Sridhar Reddy
- T.Praveena; and
- V. Nirmala

B. Entities forming part of the Promoter Group

- Adfac Laboratories Private Limited;
- Dodla Dairy (Vinjumur);
- Dodla Engineering;
- Dodla Enterprises Private Limited;
- Dodla Nutri feeds LLP;
- Dodla Sunil Reddy (HUF); and
- Dodla Trusteeship services Private Limited;
- Hanslot Pile Foundation;
- Krishe Sapphire Management Company Private Limited;
- Mylktree Consultants LLP;
- Prolife Nutraceuticals Private limited;
- Reddy Builders LLP; and
- Surekha Milk Chilling Centre

OUR GROUP COMPANIES

The definition of 'group companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated July 13, 2018, the Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that other than the current Subsidiaries, all companies which are identified as Group Companies in accordance with Ind-AS 24 as per the Restated Consolidated Financial Information are identified as Group Companies for inclusion in the Draft Red Herring Propspectus. Accordingly, Tropical Bovine Genetics Private Limited ("**TBGPL**"), D Soft India Private Limited ("**DIPL**"), Oremus Corporate Services Private Limited ("**OCSPL**") and our Associate Company, GVC have been identified as Group Companies and our Board has approved that other than TBGPL, DIPL, OCSPL and GVC there are no companies which are considered material by the Board to be identified as a group company. For further details of our Subsidiaries please see "*History and Certain Corporate Matters- Our Subsidiaries*" on page 158.

On the basis of the Materiality Policy, other than the companies already covered under Ind AS 24 in the Restated Consolidated Financial Information, no company was considered to be material by our Board for the purposes of disclosure in this Draft Red Herring Prospectus.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

A. Details of our Group Companies and Associate Company

1. Oremus Corporate Services Private Limited ("OCSPL")

OCSPL was incorporated on July 23, 2002 under the Companies Act, 1956 as a private limited company. It has its registered office at 3rd Floor, at 6-3-249/3 Abhinandan Towers, Road No.1, Banjara Hills, Hyderabad, 500 034, Telangana. Its CIN number is U74140TG2002PTC039358. OCSPL is engaged, *inter alia*, in the business of providing back office services not being a company undertaking investment advisory or financial consultancy services viz. accounting, secretarial compliance and payroll services to various clients in India and abroad.

Interest of our Promoters

Our Promoters have no interest in OCSPL.

Financial Information

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2017	2016	2015
Equity Capital	0.32	0.32	0.32
Reserves (excluding revaluation reserves) and Surplus	42.42	35.35	28.60
Revenue from Operations and Other Income	101.6	80.76	71.11
Profit/(Loss) after Tax	7.07	6.75	4.75
Basic EPS (in ₹)	219.58	209.53	147.44
Diluted EPS (in ₹)	219.58	209.53	147.44
Net asset value per share (in ₹)	1327.35	1107.78	1060.65

Significant notes of auditors of OCSPL for the last three Financial Years

OCSPL does not have any significant notes of auditors for the last three Financial Years.

2. D Soft India Private Limited ("DIPL")

DIPL was incorporated on April 17, 2002 under the Companies Act, 1956 as a private limited company. It has its registered office at No.1, Bishop Wallers Avenue (West) Mylapore, Chennai 600 004, Tamil Nadu. Its CIN number is U72300TN2002PTC048782. DIPL is engaged, *inter alia*, in the business of data management, data processing and software.

Interest of our Promoters

Our promoter, Dodla Sunil Reddy holds 50% of the share capital of DIPL.

Financial Information

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2017	2016	2015
Equity Capital	0.10	0.10	0.10

Particulars	For the Financial Year		
	2017	2016	2015
Reserves (excluding revaluation reserves) and Surplus	0.03	0.01	(0.01)
Revenue from Operations and Other Income	0.68	0.71	0.86
Profit/(Loss) after Tax	0.02	0.02	(0.03)
Basic EPS (in ₹)	24.00	24.00	(29.00)
Diluted EPS (in ₹)	24.00	24.00	(29.00)
Net asset value per share (in ₹)	129.30	105.14	80.80

Significant notes of auditors of DIPL for the last three Financial Years

DIPL does not have any significant notes of auditors for the last three Financial Years.

3. **Global Vetmed Concepts Private Limited ("GVC")**

GVC was incorporated on March 16, 2009 under the Companies Act, 1956 as a private limited company. It has its registered office at suit no.507, Topaz Building, Amrutha Hills, Punjagutta, Hyderabad, 500 034, Telangana, India. Its CIN number is U15400TG2009PTC063052.

GVC is primarily engaged in conducting research in livestock, animal nutrition and processing animal feed, milk and milk based products. It is also engaged in the business of making, processing, buying, selling, importing, exporting, or otherwise dealing in all kinds of food including milk food products, beverages, dietetic foods and other related products.

Interest of our Promoters

Dodla Sunil Reddy, one of our Promoters, holds 10,000 equity shares in GVC amounting to 0.12% of the paid up share capital of GVC.

Financial Information

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2018	2017	2016
Equity Capital	80.66	80.66	80.66
Reserves (excluding revaluation reserves) and Surplus	(41.61)	(40.90)	(38.13)
Revenue from Operations and Other Income	9.04	6.30	8.32
Profit/(Loss) after Tax	(0.70)	(2.77)	(8.19)
Basic EPS (in ₹)	(0.09)	(0.34)	(1.02)
Diluted EPS (in ₹)	(0.09)	(0.34)	(1.02)
Net asset value per share (in ₹) (book value)	4.84	4.93	5.27

Significant notes of auditors of GVC for the last three Financial Years

GVC does not have any significant notes of auditors for the last three Financial Years.

4. **Tropical Bovine Genetics Private Limited** ("**TBGPL**")

TBGPL was incorporated on April 3, 2017 under the Companies Act, 2013 as a private limited company. It has its registered office at IGCARLPL, 1st floor, Administrative wing, main Research building, APCARL Pulivendula Cuddapah 516 390, Andhra Pradesh. Its CIN number is U74999AP2017PTC105566. TBGPL is engaged, *inter alia*, in the business of opening, running and managing assisted in vitro embryo production clinics for animal breeding in dairy and other animals in accordance with law, including legal restrictions, if any.

Interest of our Promoters

Our Promoters have no interest in TBGPL.

Financial Information

TBGPL was incorporated on April 3, 2017 and hence no financial information in relation to it is currently available.

B. Details of Group Companies with negative net worth

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have a negative net worth

Loss making Group Companies

The following table sets forth the details of our Group Companies which have incurred losses in the last Fiscal

(in ₹million, except per share data)

Particulars	Loss in Fiscal 2018
GVC	(0.70)

Nature and Extent of Interest of our Group Company

(a) ***In the promotion of our Company***

Our Group Companies do not have any interest in the promotion or formation of our Company.

Except as disclosed in "*Related Party Transactions*" on page 182, our Group Companies do not have any business interest in our Company.

(b) ***In the properties acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired***

Our Group Companies are not interested in the properties acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies and our Company

There are no common pursuits between our Group Companies and our Company.

Related Business Transactions with the Group Company and significance on the financial performance of our Company

For further information, see "*Related Party Transactions*" on page 182.

Significant Sale/Purchase between our Group Companies and our Company

Our Group Companies are not involved in any sales or purchase with our Company where such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company.

Sick or Defunct Group Companies

As on date of this Draft Red Herring Prospectus, our Group Companies are not and have never been sick or defunct and no application has been made to the registrar of companies for striking off the name of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, our Group Companies do not fall under the definition of sick companies under the erstwhile SICA and are not under winding up. Further, none of our Group Companies have been declared as insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016 and there are no insolvency or bankruptcy proceedings initiated against any of our Group Companies.

None of the securities of our Group Companies are listed on any stock exchange or failed to list on any recognised stock exchange or incurred any penalty imposed by any recognised stock exchange, and our Group Companies have not made any public or rights issue of securities in the preceding three years.

Our Group Companies have not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Our Group Companies have not been identified as a Wilful Defaulter**.**

None of our Group Companies have granted any unsecured loans to the Company that can be recalled by lenders at any time.

There are no violations of securities law committed by any of our Group Companies in the past and no proceedings for violations of securities laws are pending against them.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Fiscals, as per the requirements under Ind AS 24, see *"Financial Statements"*on pages 221 and 279.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" beginning on page 319.

The details of dividend paid by our Company in the last five Fiscals are given set out in the following table:

Fiscal	Number of Equity Shares of face value of ₹ 10 each	Dividend per Equity Share of face value of ₹ 10 each (in ₹)	Rate of dividend on Equity Share of face value of ₹ 10 each (%)	Total dividend on Equity Share of face value of ₹ 10 each (in ₹ million)
2016	3,274,823[(1)]	25	250.00	81.87

1. Our Board of Directors approved an interim dividend of ₹25 per Equity Share on October 30, 2015

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Examination Report on Restated Consolidated Financial Information in connection with Draft Red Herring Prospectus

The Board of Directors
Dodla Dairy Limited
8-2-293/82/A, Plot No - 270/Q, Road No 10-C,
Venkatagiri, Jubilee Hills,
Hyderabad, Telangana

Dear Sirs,

1) We have examined the attached Restated Consolidated Financial Information (initialed by us for identification purpose) of Dodla Dairy Limited (the "Company"), its subsidiaries (collectively, "the Group") and of its associates, which comprise of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, and the significant accounting policies, read together with the annexures and notes thereto and other restated consolidated financial information explained in paragraph 10 below (collectively, the "Restated Consolidated Financial Information"), for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of Equity shares by way of fresh issue and an offer for sale by certain of its existing shareholders. The Restated Consolidated Financial Information have been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").

2) The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and ICDR Regulations.

3) We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 04 May 2018 in connection with the proposed IPO of the Company; and

   b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("the Guidance Note").

4) The Restated Consolidated Financial Information have been compiled by the Management as follows:

   a) As at and for the years ended 31 March 2018 and 31 March 2017: From the audited Consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2018 and 31 March 2017 (being comparative period for the financials for the year ended 31 March 2018), prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors on 13 July 2018.

   b) As at and for the year ended 31 March 2016: From the audited Consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2016, prepared in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act. This consolidated financial statement as at and for the year ended 31 March 2016 has been approved by the Board of Directors on 10 August 2016 and have been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016.

   c) As at and for the year ended 31 March 2015: From the audited Consolidated financial statements of the Group as at and for the year ended 31 March 2015, prepared in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act. This Consolidated financial statement as at and for the year ended 31 March 2015 has been approved by the Board of Directors on 13 July 2018 and have been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016.

   d) As at and for the year ended 31 March 2014: From the audited Consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2014, prepared in accordance with the Accounting Standards as prescribed in Companies (Accounting Standards) Rules, 2006, issued by the Central Government, and the relevant provisions of the Companies Act, 1956. The Consolidated financial statements as at and for the year ended 31 March 2014 have also been prepared in accordance with the relevant provisions of the companies Act, 2013 notified and to the extent applicable for the year ended 31 March 2014. This Consolidated financial statement has been approved by the Board of Directors on 13 July 2018 and has been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016.

The Restated Consolidated Financial Information mentioned in the 4(b), 4(c) and 4(d) above, as at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Consolidated Financial Information" as per the Guidance Note.

5) The audit of the Consolidated financial statements of the Group and its associate for each of the years ended 31 March 2018, 31 March 2015 and 31 March 2014 was conducted by us, B S R & Associates LLP.

The audit of the Consolidated financial statements of the Group and its associate for each of the year ended 31 March 2017 and 31 March 2016 was jointly conducted by B S R & Associates LLP along with A. Ramachandra Rao & Co and accordingly reliance has been placed on the financials information examined jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co for the said years. The financial report included for these years, i.e. 31 March 2017 and 31 March 2016 are based solely on the Reports submitted by B S R & Associates LLP jointly with A. Ramachandra Rao & Co. Further, B S R & Associates LLP along with A. Ramachandra Rao & Co. have also confirmed that the Restated Consolidated Financial Information for each of the year ended 31 March 2017 and 31 March 2016:

a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c) do not contain any exceptional items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualifications requiring adjustments.

6) We did not audit the financial statements of certain subsidiaries incorporated outside India, whose share of total assets, total revenues and net cash flows included in the Restated Consolidated Financial Information is tabulated below. These financial statements have been audited by other auditors duly qualified to act as auditors in those countries, whose reports have been furnished to us by the Management of the Company. For the purposes of preparation of consolidated financial statements, the aforesaid financial statements prepared under generally accepted accounting principles ("GAAP") of the respective countries have been converted by the management of the said entities so that they conform to the Ind AS. We have audited these conversion adjustments made by the Company's Management. Our opinion, in so far as it relates to the amounts and disclosures included in the Restated Consolidated Financial Information are based solely on the audit reports of the other auditors (details furnished in Appendix I) and the conversion adjustments prepared by the Management of the Company and audited by us.

(INR in millions)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Total assets	408.66	357.55	308.50	248.49	-
Revenues	532.08	300.60	193.37	65.45	-
Net cash inflows/ (outflow)	(13.27)	17.38	(43.05)	73.60	-

7) We did not audit the financial statements of one associate incorporated in India, whose Group's share of net profit included in the Restated Consolidated Financial Information is tabulated below. These financial statements have been audited by another auditor whose reports have been furnished to us by the Management of the Company and our opinion, in so far as it relates to the amounts and disclosures included in the Restated Consolidated Financial Information is based solely on the audit reports of the other auditor (details furnished in Appendix II).

(INR in millions)

Particulars	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Group's shares of net profit	-	-	-	-	-

8) We did not audit the financial statements of one subsidiary and associate incorporated outside India, whose share of total assets, total revenues and net cash flows (for the subsidiary) and the Group's share of net profit included in the Restated Consolidated Financial Information is tabulated below. These financial statements are unaudited and have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in the Restated Consolidated Financial Information are based solely on such unaudited financial statements (details furnished in Appendix III). In our opinion and according to the information and explanations given to us by the Management, the unaudited financial statements are not material to the group.

(INR in millions)

Subsidiary

Particulars	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Total assets	-	-	-	-	-*
Revenues	-	-	-	-	-
Net cash inflows/ (outflow)	-	-	-	-	-

*below the rounding off norm adopted by the Group. The actual amount is INR 61.

Associate

Particulars	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Group's shares of net profit	-	-	-	-	-

9) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, read with the ICDR Regulations and the Guidance Note, we report that:

a) The Restated Consolidated Statement of Assets and Liabilities of the Group and its associates as at 31 March 2017 and 31 March 2016 examined and reported jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co. and on which reliance has been placed by us and as at 31 March 2018, 31 March 2015 and 31 March 2014 examined and reported by us, as set out in **Annexure I** to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in **Annexure V** to the Restated Consolidated Financial Information – Impact of adjustments to Consolidated audited financial statements.

b) The Restated Consolidated Statement of Profit and Loss of the of the Group and its associates for each of the years ended 31 March 2017 and 31 March 2016 examined and reported jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co., and on which reliance has been placed by us and for the year ended 31 March 2018, 31 March 2015 and 31 March 2014 examined and reported by us, as set out in **Annexure II** to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in Annexure V to the Restated Consolidated Financial Information – Impact of adjustments to Consolidated audited financial statements.

c) The Restated Consolidated Statement of Changes in Equity of the Group and its associates for each of the years ended 31 March 2017 and 31 March 2016 examined and reported jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co., and on which reliance has been placed by us and for the year ended 31 March 2018, 31 March 2015 and 31 March 2014 examined and reported by us, as set out in **Annexure III** to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in Annexure V to the Restated Consolidated Financial Information – Impact of adjustments to Consolidated audited financial statements.

d) The Restated Consolidated Statement of Cash Flows of the Group and its associates for each of the years ended 31 March 2017 and 31 March 2016 examined and reported jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co., and on which reliance has been placed by us and for the year ended 31 March 2018, 31 March 2015 and 31 March 2014 examined and reported by us, as set out in **Annexure IV** to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in Annexure V to the Restated Consolidated Financial Information– Impact of adjustments to Consolidated audited financial statements.

e) Based on the above and according to the information and explanation given to us, and also as per the reliance placed on the reports submitted jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co. as referred to in Para 5 above, we further report that the Restated Consolidated Financial Information:

(i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(iii) do not contain any exceptional items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualifications requiring adjustments.

10) We have also examined the following other Restated Consolidated Financial Information of the Group and its associate as set out in the Annexures prepared by the Management and approved by the Board of Directors on 13 July 2018, for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. In respect of the years ended 31 March 2017 and 31 March 2016 reliance has also been placed upon the reports submitted jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co. as referred to in Para 5 above:

    i. Impact of adjustments to audited Consolidated financial statements, as enclosed in Annexure V;
    ii. Basis of preparation and significant accounting policies as enclosed in Annexure VI;
    iii. Notes to the Restated Consolidated Financial Information as enclosed in Annexure VII;
    iv. Restated statement of details of terms and conditions of the non-current borrowing and current borrowing as at 31 March 2018, as enclosed in Note 21 and 25 of Annexure VII;
    v. Restated statement of related parties, related party transactions and related party balances, as enclosed in Note 43 of Annexure VII;
    vi. Restated statement of other income, as enclosed in VIII;
    vii. Restated statement of dividend paid, as enclosed in Annexure IX;
    viii. Restated statement of capitalisation, as enclosed in Annexure X;
    ix. Restated statement of accounting ratios, as enclosed in Annexure XI;

    According to the information and explanations given to us, and also as per the reliance placed on the reports submitted jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co. as referred to in Para 5 above, in our opinion, the Restated Consolidated Financial Information of the Company as at and for the year ended 31 March 2018 and 31 March 2017, including the above mentioned other Restated Consolidated Financial Information contained in Annexures I to XI, read with the significant accounting policies disclosed in Annexure VI, are prepared after making adjustments and regroupings as considered appropriate as disclosed in Annexure V and the Proforma Ind AS Restated Consolidated Financial Information of the Company as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014, contained in Annexures I to XI, read with the significant accounting policies disclosed in Annexure VI, are prepared after making adjustments and regroupings as considered appropriate (including Proforma Ind AS adjustments) as disclosed in Annexure V and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with the ICDR Regulations and the Guidance Note.

11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the Consolidated financial statements referred to herein.

12) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13) Our report is intended solely for use of the Management for inclusion in the DRHP to be filed with Securities and Exchange Board of India and Bombay stock exchange and National stock exchange, where the equity shares are proposed to be listed and Registrar of Companies, Hyderabad, Andhra Pradesh & Telangana in connection with the proposed issue of Equity Shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: Hyderabad
Date: 17 July 2018

Appendix 1

Details of subsidiaries incorporated outside India, included in the Company's Consolidated Financial Statements which were audited by their local auditors as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015:

Name of the entity	Auditors Name	For the year ended
Dodla Holdings Pte. Limited (Subsidiary), Singapore	Foo Kon Tan LLP Public Accountants and Chartered accountants	31 March 2015
	Rohan . Mah & Partners LLP, Chartered Accountants, Singapore	31 March 2016
		31 March 2017
		31 March 2018
Lakeside Dairy Limited (Step down Subsidiary), Uganda	Grant Thronton, Certified Public Accountants	31 March 2015
		31 March 2016
		31 March 2017
		31 March 2018
Dodla Dairy Kenya Limited (Step down Subsidiary), Kenya	Moses and Associates, Certified Public Accountants (K)	31 March 2018

Appendix II

Details of associate incorporated in India included in the Company's Consolidated Financial Statements which were audited by other auditors as at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016:

Name of the entity	Name of auditors	For the year ended
Global VetMed Concepts Private Limited	Bitla & Co, Chartered Accountants	31 March 2016
		31 March 2017
		31 March 2018

Appendix III

Details of associate and subsidiary incorporated outside India, included in the Company's Consolidated Financial Statements which were unaudited as at and for the years ended 31 March 2014:

Name of the entity	Relationship	For the year ended
Abyssinia Bharat Food Parks PLC, Ethiopia	Associate	31 March 2014
Dodla Singapore Pte Limited	Subsidiary	31 March 2014

Dodla Dairy Limited

Annexure I

Restated Consolidated Statement of Assets and Liabilities *(₹ in million)*

Particulars	Note No. to Annexure VII	As at 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
ASSETS						
Non-current assets						
Property, plant and equipment	4	3,173.62	2,530.00	1,777.31	1,353.46	745.06
Capital work-in-progress	4	160.42	299.11	365.20	49.78	187.36
Intangible assets	5	6.61	3.33	2.17	2.20	2.45
Biological assets other than bearer plants						
Matured biological assets	6	20.34	17.68	12.89	5.52	-
Immatured biological assets	6	7.65	5.87	5.35	7.94	4.33
Financial assets						
Investments	7	71.10	-	-	-	1.63
Loans	8	148.24	206.34	38.22	32.92	28.42
Other financial assets	9	-	0.50	-	-	-
Income tax assets	29	46.19	43.54	44.16	0.44	10.59
Other non-current assets	10	110.40	170.34	362.02	271.23	251.07
Total non-current assets		**3,744.57**	**3,276.71**	**2,607.32**	**1,723.49**	**1,230.91**
Current assets						
Inventories	11	1,340.83	851.96	904.33	1,424.30	482.48
Financial assets						
Investments	12	598.49	683.54	637.10	609.72	925.60
Trade receivables	13	36.05	14.28	20.37	16.06	6.49
Loans	14	67.00	12.50	12.50	-	-
Cash and cash equivalents	15 (a)	139.17	111.62	118.19	183.84	428.12
Bank balances other than above	15 (b)	0.70	-	-	2.41	-
Derivatives	16	-	4.88	11.28	11.27	12.07
Other financial assets	17	1.63	1.39	1.30	25.58	73.43
Other current assets	18	79.23	300.48	39.05	56.79	78.60
Total current assets		**2,263.10**	**1,980.65**	**1,744.12**	**2,329.97**	**2,006.79**
Total assets		**6,007.67**	**5,257.36**	**4,351.44**	**4,053.46**	**3,237.70**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	19	32.75	32.75	32.75	32.75	32.75
Other equity	20	3,364.84	2,808.05	2,378.21	1,963.74	1,874.57
Equity attributable to owners of the Company		**3,397.59**	**2,840.80**	**2,410.96**	**1,996.49**	**1,907.32**
Non-controlling interest		-	-	-	-	-
Total equity		**3,397.59**	**2,840.80**	**2,410.96**	**1,996.49**	**1,907.32**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	21	222.50	315.00	323.79	80.92	126.82
Deferred tax liabilities (net)	22	189.72	100.25	70.73	91.02	89.38
Government grants	23	34.52	14.46	15.91	3.45	3.67
Provisions	24	68.88	88.67	52.94	38.97	18.44
Total non-current liabilities		**515.62**	**518.38**	**463.37**	**214.36**	**238.31**
Current liabilities						
Financial liabilities						
Borrowings	25	943.13	968.37	707.27	1,132.15	390.14
Trade payables	26	631.51	514.66	439.17	435.60	311.55
Other financial liabilities	27	317.82	244.77	186.90	126.76	292.46
Government grants	23	2.86	1.46	1.46	0.22	0.22
Provisions	28	16.15	8.38	5.59	4.34	2.41
Current tax liabilities	29	132.74	112.46	99.22	116.70	77.45
Other current liabilities	30	50.25	48.08	37.50	26.84	17.84
Total current liabilities		**2,094.46**	**1,898.18**	**1,477.11**	**1,842.61**	**1,092.07**
Total liabilities		**2,610.08**	**2,416.56**	**1,940.48**	**2,056.97**	**1,330.38**
Total equity and liabilities		**6,007.67**	**5,257.36**	**4,351.44**	**4,053.46**	**3,237.70**

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to consolidated audited financial statements in Annexure V and notes to the Restated Consolidated Financial Information in Annexure VII.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 17 July 2018

Hemanth Kundavaram
Chief Financial Officer
M. No. 216189 (FCA)

Ruchita Malpani
Company Secretary
M. No. A32883

Dodla Dairy Limited

Annexure II

Restated Consolidated Statement of Profit and Loss *(₹ in million)*

Particulars	Note No. to Annexure VII	For the year ended 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Revenue from operations	31	15,904.75	14,400.44	12,009.01	10,248.81	8,419.19
Other income	32	65.38	73.26	60.06	84.69	69.21
Total income		**15,970.13**	**14,473.70**	**12,069.07**	**10,333.50**	**8,488.40**
Expenses						
Cost of materials consumed	33	12,744.26	11,155.78	8,925.43	9,290.16	6,345.07
Purchases of stock-in-trade		-	-	27.46	26.62	2.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(427.22)	198.53	284.50	(885.34)	479.73
Employee benefits expense	35	649.79	549.93	489.14	363.00	268.50
Depreciation and amortisation expense	36	268.56	190.35	159.47	118.70	47.97
Finance costs	37	99.70	78.04	108.17	82.78	36.71
Other expenses	38	1,824.28	1,620.54	1,323.68	1,169.23	917.87
Total expenses		**15,159.37**	**13,793.17**	**11,317.85**	**10,165.15**	**8,098.01**
Profit before tax		**810.76**	**680.53**	**751.22**	**168.35**	**390.39**
Income tax expense						
-Current tax	39	186.04	184.27	242.25	54.00	127.54
-Deferred tax	39	81.37	30.95	(19.34)	1.07	9.40
Total tax expense		**267.41**	**215.22**	**222.91**	**55.07**	**136.94**
Profit for the year (A)		**543.35**	**465.31**	**528.31**	**113.28**	**253.45**
Other comprehensive income						
Items that will be reclassified subsequently to the statement of profit or loss						
Foreign currency translation reserve		(2.78)	(32.77)	(13.50)	(25.18)	-
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		23.40	(4.13)	(2.75)	1.64	1.58
Income tax relating to these items	39	(8.10)	1.43	0.95	(0.57)	(0.55)
Other comprehensive income for the year (B)		**12.52**	**(35.47)**	**(15.30)**	**(24.11)**	**1.03**
Total comprehensive income for the year (A+B)		**555.87**	**429.84**	**513.01**	**89.17**	**254.48**
Profit attributable to:						
Owners of the Company		543.67	465.31	528.31	113.28	253.45
Non-controlling interest		(0.32)	-	-	-	-
Profit for the year		**543.35**	**465.31**	**528.31**	**113.28**	**253.45**
Other comprehensive income attributable to:						
Owners of the Company		12.52	(35.47)	(15.30)	(24.11)	1.03
Non-controlling interest		-	-	-	-	-
Other comprehensive income for the year		**12.52**	**(35.47)**	**(15.30)**	**(24.11)**	**1.03**
Total comprehensive income attributable to:						
Owners of the Company		556.19	429.84	513.01	89.17	254.48
Non-controlling interest		(0.32)	-	-	-	-
Total comprehensive income for the year		**555.87**	**429.84**	**513.01**	**89.17**	**254.48**
Earnings per share (nominal value of ₹ 10 each)	42					
Basic [in ₹]		166.02	142.09	161.33	34.59	77.39
Diluted [in ₹]		166.02	142.09	161.33	34.59	77.39
Weighted average number of equity shares used in computing earnings per share:						
-Basic		3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
-Diluted		3,274,823	3,274,823	3,274,823	3,274,823	3,274,823

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to consolidated audited financial statements in Annexure V and notes to the Restated Consolidated Financial Information in Annexure VII.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 17 July 2018

Hemanth Kundavaram
Chief Financial Officer
M. No. 216189 (FCA)

Ruchita Malpani
Company Secretary
M. No. A32883

Dodla Dairy Limited

Annexure III

Restated Consolidated Statement of Changes in Equity *(₹ in million)*

Particulars	Equity share capital	Other equity					Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus							
		Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account			
Balance as at 01 April 2013 Proforma	**32.75**	**12.00**	**1,092.25**	**-**	**515.84**	**-**	**1,652.84**	**-**	**1,652.84**
Profit for the year	-	-	-	-	253.45	-	253.45	-	253.45
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	1.03	-	1.03	-	1.03
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014 Proforma	**32.75**	**12.00**	**1,092.25**	**-**	**770.32**	**-**	**1,907.32**	**-**	**1,907.32**

Particulars	Equity share capital	Other equity					Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus							
		Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account			
Balance as at 01 April 2014 Proforma	**32.75**	**12.00**	**1,092.25**	**-**	**770.32**	**-**	**1,907.32**	**-**	**1,907.32**
Profit for the year	-	-	-	-	113.28	-	113.28	-	113.28
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	1.07	-	1.07	-	1.07
Foreign currency translation reserve	-	-	-	(25.18)	-	-	(25.18)	-	(25.18)
Balance as at 31 March 2015 Proforma	**32.75**	**12.00**	**1,092.25**	**(25.18)**	**884.67**	**-**	**1,996.49**	**-**	**1,996.49**

Particulars	Equity share capital	Other equity					Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus							
		Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account			
Balance as at 01 April 2015 Proforma	**32.75**	**12.00**	**1,092.25**	**(25.18)**	**884.67**	**-**	**1,996.49**	**-**	**1,996.49**
Profit for the year	-	-	-	-	528.31	-	528.31	-	528.31
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	(1.80)	-	(1.80)	-	(1.80)
Interim dividend on equity shares [₹ 25 per share] and dividend distribution tax thereon	-	-	-	-	(98.54)	-	(98.54)	-	(98.54)
Foreign currency translation reserve	-	-	-	(13.50)	-	-	(13.50)	-	(13.50)
Balance as at 31 March 2016 Proforma	**32.75**	**12.00**	**1,092.25**	**(38.68)**	**1,312.64**	**-**	**2,410.96**	**-**	**2,410.96**

Particulars	Equity share capital	Other equity					Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus							
		Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account			
Balance as at 01 April 2016	**32.75**	**12.00**	**1,092.25**	**(38.68)**	**1,312.64**	**-**	**2,410.96**	**-**	**2,410.96**
Profit for the year	-	-	-	-	465.31	-	465.31	-	465.31
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	(2.70)	-	(2.70)	-	(2.70)
Foreign currency translation reserve	-	-	-	(32.77)	-	-	(32.77)	-	(32.77)
Balance as at 31 March 2017	**32.75**	**12.00**	**1,092.25**	**(71.45)**	**1,775.25**	**-**	**2,840.80**	**-**	**2,840.80**

Particulars	Equity share capital	Other equity					Total equity attributable to owners of the Company	Attributable to non-controlling interest	Total
		Reserves and surplus							
		Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account			
Balance as at 01 April 2017	**32.75**	**12.00**	**1,092.25**	**(71.45)**	**1,775.25**	**-**	**2,840.80**	**-**	**2,840.80**
Capital infused by non-controlling interest in the subsidiary	-	-	-	-	-	-	-	0.32	0.32
Profit for the year	-	-	-	-	543.67	-	543.67	(0.32)	543.35
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	-	15.30	-	15.30	-	15.30
Employee share based payment expense	-	-	-	-	-	0.60	0.60	-	0.60
Foreign currency translation reserve	-	-	-	(2.78)	-	-	(2.78)	-	(2.78)
Balance as at 31 March 2018	**32.75**	**12.00**	**1,092.25**	**(74.23)**	**2,334.22**	**0.60**	**3,397.59**	**-**	**3,397.59**

Note 1: The Board of Directors of the Holding Company in their meeting held on 13 July 2018 have proposed for the issuance of Bonus shares in the ratio of 16:1 to the existing shareholders of the Holding Company. The proposal of the Board of Directors was approved by the Shareholders of the Holding Company in their Annual General Meeting held on 17 July 2018.

Note 2: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to consolidated audited financial statements in Annexure V and notes to the Restated Consolidated Financial Information in Annexure VII.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 17 July 2018

Hemanth Kundavaram
Chief Financial Officer
M. No. 216189 (FCA)

Ruchita Malpani
Company Secretary
M. No. A32883

Dodla Dairy Limited

Annexure IV

Restated Consolidated Statement of Cash Flows *(₹ in million)*

Particulars	For the year ended 31 March				
	2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Cash flows from operating activities					
Profit before tax	810.76	680.53	751.22	168.35	390.39
Adjustments for:					
Depreciation and amortisation expense	268.56	190.35	159.47	118.70	47.97
Gain on fair valuation of biological assets	(9.82)	(8.95)	(8.39)	(6.25)	(1.68)
Net loss on sale/ retirement of property, plant and equipment	6.19	17.47	1.68	0.41	1.20
Net loss on sale/ retirement of biological assets	3.67	2.59	0.71	0.28	-
Interest income	(3.31)	(3.46)	(2.95)	(5.16)	(16.26)
Finance costs	99.70	78.04	108.17	82.78	36.71
Dividend income from investment in mutual funds	(3.90)	(19.56)	(23.03)	(29.49)	(14.12)
Employee share based payment expenses	0.60	-	-	-	-
Net profit on sale of current investments	(0.82)	(3.73)	(1.94)	(5.15)	(1.38)
Profit on sale of investments in associate	-	-	-	(0.55)	-
Fair value gain on financial assets measured at fair value through profit and loss, net	(32.51)	(26.83)	(11.57)	(27.99)	(16.23)
Government grants income	(4.32)	(1.88)	(1.30)	(0.22)	(0.22)
Reversal of provision for doubtful debts	-	-	(17.95)	1.75	-
Provision for other than temporary diminution in the value of non-current investments	-	-	38.67	-	-
Unrealised foreign exchange (gain)/ loss, net	(0.34)	(1.15)	(1.66)	(6.56)	(3.53)
	1,134.46	**903.42**	**991.13**	**290.90**	**422.85**
Change in operating assets and liabilities					
(Increase)/ decrease in trade receivables	(21.75)	4.99	(4.96)	(10.02)	9.24
(Increase)/ decrease in inventories	(488.92)	50.67	519.27	(943.01)	273.40
(Increase) decrease in loans and other financial assets	(0.47)	(12.26)	(9.84)	37.15	(57.19)
Decrease/ (increase) in other current and non-current assets	224.35	(263.75)	9.12	(52.85)	7.93
Increase in trade payables and other financial liabilities	169.48	100.33	45.48	142.55	42.18
Increase in employee benefit obligations	11.38	34.39	12.47	24.10	6.55
Increase/ (decrease) in other current and non-current liabilities	2.17	10.58	10.66	9.00	(0.82)
Cash generated from operations	**1,030.70**	**828.37**	**1,573.33**	**(502.18)**	**704.14**
Income taxes paid, net	(169.74)	(218.64)	(341.99)	(15.94)	(113.44)
Net cash generated from/ (used in) operating activities	**860.96**	**609.73**	**1,231.34**	**(518.12)**	**590.70**
Cash flows from investing activities					
Payments for property, plant and equipment and intangible assets	(717.33)	(802.39)	(947.39)	(599.94)	(561.59)
Proceeds from sale of property, plant and equipment and intangible assets	4.14	3.67	2.47	1.54	3.52
Proceeds from sale of biological assets	1.71	1.05	2.90	0.13	-
Purchase of biological assets	-	-	-	(3.29)	(2.65)
Capital infused by non-controlling interest in the subsidiary	0.32	-	-	-	-
Purchase of shares in associate	-	-	(17.67)	-	-
Proceeds from sale of investment in associate	-	-	-	2.18	-
Redemption of/ (investment in) inter corporate deposit	-	-	-	55.00	(55.00)
Investment made in Dodla Milk Processing Plc - Ethiopia	-	-	-	-	(14.74)
Refund of share application money pending allotment - Dodla Milk Processing Plc - Ethiopia	-	-	12.44	-	-
Purchase of mutual funds	(445.57)	(260.88)	(346.20)	(934.49)	(1,143.12)
Proceeds from sale of mutual funds	492.85	245.00	332.33	1,283.51	1,212.39
Interest/ dividend received	6.97	22.93	25.73	37.29	27.14
Deposits (placed)/ matured (having original maturity of more than three months)	(0.20)	(0.50)	2.41	(2.41)	4.44
Net cash used in investing activities	**(657.11)**	**(791.12)**	**(932.98)**	**(160.48)**	**(529.61)**
Cash flows from financing activities					
Receipt of long term borrowings from banks	-	70.00	300.00	-	205.00
Repayment of long term borrowings to banks	(72.82)	(54.07)	(44.24)	(231.09)	(86.37)
Receipt of government grant	25.78	0.43	15.00	-	-
(Repayment)/ receipt of short term borrowings, net	(250.00)	275.00	(421.50)	381.50	50.00
Dividend paid (including dividend distribution tax)	-	-	(98.54)	-	-
Finance costs paid	(103.81)	(99.64)	(108.59)	(74.64)	(28.92)
Net cash (used in)/ generated from financing activities	**(400.85)**	**191.72**	**(357.87)**	**75.77**	**139.71**
Net (decrease)/ increase in cash and cash equivalents	**(197.00)**	**10.33**	**(59.51)**	**(602.83)**	**200.80**
Cash and cash equivalents at the beginning of the financial year	(231.75)	(239.08)	(176.81)	427.98	227.18
Effect of exchange rate fluctuations on cash held	(0.21)	(3.00)	(2.76)	(1.96)	-
Cash and cash equivalents at end of the year	**(428.96)**	**(231.75)**	**(239.08)**	**(176.81)**	**427.98**
Cash and cash equivalents as per above comprise of the following:					
As at	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Cash on hand	15.03	20.30	13.24	12.65	44.82
Balances with banks					
-in current accounts	74.14	91.32	104.95	161.80	310.18
-in deposit accounts (with original maturity of less than three months)	50.00	-	-	9.39	73.12
Cash credit and overdraft balances	(568.13)	(343.37)	(357.27)	(360.65)	(0.14)
Balances as per statement of cash flows	**(428.96)**	**(231.75)**	**(239.08)**	**(176.81)**	**427.98**

Effective 1 April 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to consolidated audited financial statements in Annexure V and notes to the Restated Consolidated Financial Information in Annexure VII.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 17 July 2018

Hemanth Kundavaram
Chief Financial Officer
M. No. 216189 (FCA)

Ruchita Malpani
Company Secretary
M. No. A32883

Dodla Dairy Limited

Annexure V - Impact of adjustments to consolidated audited financial statements

i. Material restatement adjustments and Proforma Ind AS adjustments

Summarised below are the restatement adjustments made to the audited financial statements for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and their impact on the profit of the Group:

(₹ in million)

Particulars	Note No. of iii below	For the year ended 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Net profit after tax as per audited financial statements prepared under previous GAAP		**Not applicable***	**Not applicable***	**359.28**	**133.16**	**275.72**
Proforma Ind AS adjustments						
Government grants recognised as deferred income	a			1.08	-	-
Changes in fair value of biological assets	b			(0.12)	0.21	(0.09)
Investment in mutual funds recognised at fair value	c			(10.19)	14.22	1.50
Deferred tax on above adjustment	d			8.40	(5.00)	(0.49)
Remeasurement of the net defined benefit obligation recognised in other comprehensive income	e			1.80	(1.07)	(1.03)
Total impact on Ind AS adjustments		**Not applicable***	**Not applicable***	**0.97**	**8.36**	**(0.11)**
Other comprehensive income net of taxes	e	Not applicable*	Not applicable*	(15.30)	(24.11)	1.03
Total comprehensive income as per Ind AS		**583.33**	**417.98**	**344.95**	**117.41**	**276.64**
Material adjustments on account of restatement						
MAT credit written off	g	-	-	41.21	(41.21)	-
Depreciation and amortisation	f	-	-	-	12.72	(1.28)
Deferred tax charge in respect of earlier years	g	(30.50)	9.61	15.69	7.46	(0.71)
Current tax for earlier years	g	-	-	97.54	(4.98)	(29.33)
Interest on income tax	h	3.04	2.25	13.62	(7.20)	(6.63)
Provision for doubtful advances	i	-	-	-	14.33	23.48
Total		**(27.46)**	**11.86**	**168.06**	**(18.88)**	**(14.47)**
Deferred tax impact on material adjustments on account of restatement	j	-	-	-	(9.36)	(7.69)
Total impact of the adjustments		**(27.46)**	**11.86**	**168.06**	**(28.24)**	**(22.16)**
Net profit after tax as restated		**555.87**	**429.84**	**513.01**	**89.17**	**254.48**

Note: To be read together with summary of significant accounting policies in Annexure VI and notes to the Restated Consolidated Financial Information in Annexure VII.

*The financial statements of the Group and its associate as at and for the years ended 31 March 2018 and 31 March 2017 (being the comparative period for the year ended 31 March 2018) 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 Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Hence, proforma Ind AS adjustments are not applicable for the financial years ended 31 March 2018 and 31 March 2017.

ii Material restatement adjustments and Proforma Ind AS adjustments made in the audited opening balance of total equity as at 1 April 2013

(₹ in million)

Particulars	Note No. of iii below	As at 01 April 2013 Proforma
Total equity as per previous GAAP		**1,740.66**
Proforma Ind AS adjustments		
Investment in mutual funds recognised at fair value	c	21.78
Deferred tax on above adjustment	d	(7.54)
Total impact of Ind AS adjustments		**14.24**
Material adjustments on account of restatement		
Depreciation and amortisation	f	(11.44)
Deferred tax charge in respect of earlier years	g	(1.55)
Current tax for earlier years	g	(63.23)
Interest on income tax	h	(5.08)
Provision for doubtful advances	i	(37.81)
Total		**(119.11)**
Deferred tax impact on material adjustments on account of restatement	j	17.05
Total impact of the adjustments		**(87.82)**
Total equity as restated		**1,652.84**

Figures in brackets represent decrease in total equity.

iii) Proforma Ind AS adjustments and other material adjustments on account of restatement

a. Government grants

The Group has received government grants against the capital expenditure incurred. Under the previous GAAP, the aforesaid grants were carried under capital reserve. Under Ind AS, government grants received against depreciable assets shall be credited to the statement of profit and loss over the useful life of the respective assets. The impact as at the date of transition has been adjusted through retained earnings.

b. Biological assets

Under the previous GAAP, biological assets were measured at cost. Ind AS requires all biological assets to be measured on each reporting date at their respective fair values with the fair value changes being recognised in the statement of profit and loss. The impact as at the date of transition has been adjusted through retained earnings.

c. Investments

Under the previous GAAP, investments in mutual funds were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

d. Deferred tax

The deferred tax impact of the above Ind AS adjustments has been considered based on the tax laws.

e. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, net of its tax impact. The concept of other comprehensive income did not exist under previous GAAP.

f. Depreciation and amortisation

The carrying amount of fixed assets whose useful life as on 1 April 2014 had been completed as per Schedule II to the Companies Act 2013 was adjusted in the statement of profit and loss for the year ended 31 March 2015. Depreciation as per the transitional provision, has been adjusted to the respective years to effect the difference in the useful life.

g. Deferred tax and current tax - pertaining to earlier years and reversal of MAT credit

Based on assessment by Income-tax authorities for certain years, the Group has accounted tax for earlier years. As these were relating to earlier years, the same has been accounted for in the financial year to which the amount relates to. Tax to the extent pertaining to the period before 31 March 2013 has been adjusted to the opening reserves as at 1 April 2013. Similarly the MAT credit reversed in the subsequent year has been adjusted in the year in which the MAT credit was recognised.

Further in respect of one subsidiary, in the earlier years, the Group has recognised deferred tax asset only to the extent of deferred tax labilities in the absence of convincing evidence of future taxable profits. Deferred tax asset was recognised in full during the year ended 31 March 2018 with respect to the aforementioned subsidiary. As they relate to earlier years, the same has been accounted for in the financial year to which the amount relates to.

h. Interest on income tax

Based on assessment by Income-tax authorities for certain years, the Group has computed and accounted interest for earlier years pertaining to the tax for earlier years as stated in note g above. As these were relating to earlier years, the same has been accounted for in the financial year to which the amount relates to.

i. Provision for doubtful advances

Provision for doubtful advances given to Global VetMed Concepts Private Limited were adjusted in arriving at the profits for the years in which advances were given irrespective of the year in which the event triggering the profit or loss has occurred.

j. Deferred tax impact on adjustments

The deferred tax impact of the aforesaid material adjustments has been considered based on the tax laws.

Dodla Dairy Limited

Annexure V - Impact of adjustments to consolidated audited financials (continued)

(iv) Non-adjusting items
In addition to the audit opinion on the consolidated financial statements, the auditors were required to comment upon the matters included in the Companies (Auditor's Report) Order, 2015 ("the CARO 2015 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the consolidated financial statements of the Company as at and for the financial years ended 31 March 2015. Certain statements/ comments included in audit opinion on the consolidated financial statements and the CARO 2015 Order, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

Financial Year: 2013-14

Audit qualification in respect of financial statements of Dodla Dairy Limited
a) During the year 2013-14, the Company purchased raw materials from Global VetMed Concepts Private Limited (GVC) amounting to ₹ 0.62 million and sold goods to GVC amounting to ₹ 7.58 million in which Mr. D. Sunil Reddy, Managing Director is a Director. The said transactions were covered under Section 297 of the Companies Act, 1956 and in respect of which prior approval of the Central Government, as envisaged under that section, has not been obtained.

b) During the period from 1 April 2013 to 11 September 2013, the Company has given loans aggregating ₹ 47.13 million and recovered an amount of ₹ 34.13 million from Dodla Engineering (Partnership Firm) in which Mr. D. Sunil Reddy, Managing Director and Mr. D. Sesha Reddy, Chairman are partners. Such loans are covered under Section 295 of the Companies Act, 1956 and in respect of which prior approval of the Central Government, as envisaged under that section, has not been obtained. Further in respect of the said loan, the Company further paid an amount of ₹ 13.00 million during the period 12 September 2013 to 31 March 2014 .The loan was fully recovered by 31 March 2014. According to the sub-section 1 of the Section 185 of the Companies Act, 2013, which was applicable from 12 September 2013, no Company shall give any loan to parties in which Directors are interested.

Financial Year: 2014-15

Audit qualification in respect of financial statements of Dodla Dairy Limited

a) During the period from 1 April 2013 to 11 September 2013, the Company has given loans aggregating ₹ 47.13 million and recovered an amount of ₹ 34.13 million from Dodla Engineering (Partnership Firm) in which Mr. D. Sunil Reddy, Managing Director and Mr. D. Sesha Reddy, Chairman are partners. Such loans are covered under Section 295 of the Companies Act, 1956 and in respect of which prior approval of the Central Government, as envisaged under that section, has not been obtained. Further in respect of the said loan, the Company further paid an amount of ₹ 127.00 million during the period 12 September 2013 to 31 March 2015. The loan was fully recovered by 31 March 2015. According to sub-section 1 of Section 185 of the Companies Act, 2013, which was applicable from 12 September 2013, no Company shall give any loan to parties in which Directors are interested.

CARO 2015 Order
We have made the following comments in terms with the requirements of the CARO 2015 Order, issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies Act, 2013 of India for financial year 2014-15.

Clause (iv)
In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services, except that, the internal control system for purchase of fixed assets with respect to documenting the justification for not obtaining alternative quotations needs to be strengthened further. In our opinion, there is continuing failure to correct a major weakness in the internal control system with regard to purchase of fixed assets.

Clause (vii) (a) and (b)
(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable except for an amount of ₹ 2.61 million due towards Sales tax which has been outstanding for more than six months.

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

Name of the statute	Nature of dues	Amount in ₹ million *	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax and interest thereon	1.68 (0.69)	AY 2008-09	Deputy Commissioner of Income Tax Hyderabad Circle 1(2)
Income-tax Act, 1961	Income tax and interest thereon	30.37	AY 2012-13	Commissioner of Income Tax (Appeals) V

* Amount in parenthesis represents amount paid under protest.

Financial Year: 2015-16

Emphasis of matter in respect of financial statements of Lakeside Dairy Limited
Lakeside Dairy Limited's total liabilities exceeded its total assets. However, the financial statements were prepared on a going concern basis on the assumption that continued financial support will be provided by the shareholders.

Financial Year: 2016-17

Reporting under section 143(3) of the Companies Act, 2013 - Clause (a), (b), (e) and (h)(iv) for Dodla Dairy Limited

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except as discussed under para (iv) of clause para (iv) of clause (h) below;
b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except as discussed under para (iv) of clause para (iv) of clause (h) below;
e) the matter described under para (iv) of clause (h) below, in our opinion, may have an adverse effect on the functioning of the Company;
h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. The Management has obtained an opinion from an independent legal counsel and is of the view that the cash collected in specified bank notes in the normal course of the business is covered under the ambit of exemption provided under clause (d) of the notification S.O.3408(E) dated 8 November 2016 issued by the Ministry of Finance, allowing the use of specified bank notes for purchase at milk booths operating under authorisation of the Central or State Governments until 15 December 2016 (originally 11 November 2016, amended by notifications issued from time to time). However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

Going concern issues in respect of financial statements of Lakeside Dairy Limited
Lakeside Dairy Limited's current liabilities exceeded its total assets by USh (614,544) thousand, total liabilities exceeded its total assets by USh (615,337) thousand and Lakeside Dairy Limited had accumulated losses of USh (4,340,407) thousand. These events or conditions indicate that a uncertainty exists that may cast doubt on the Lakeside Dairy Limited's ability to continue as a going concern. However, management is of the view that Lakeside Dairy Limited will be able to meet its obligations from its operations and should there be a need, the Board of Directors undertake that they will be able to continue procuring funds to meet the needs of the company and accordingly the financial statements have been prepared on a going concern basis.

(v) Regrouping
Figures have been regrouped/ reclassified for the consistency of presentation.

Annexure VI - Basis of preparation and significant accounting policies

1 Reporting entity

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. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The Group is in the business of processing/ production of milk and production of milk products.

2 Basis of preparation

A. Statement of compliance

The Restated Consolidated Financial Information of the Group and its associates have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Consolidated Financial Information consist of the Restated Consolidated Summary Statement of Assets and Liabilities of the Group and associates as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Summary Statement of Profit and Loss, the Restated Consolidated Summary Statement of Cash Flow and the Restated Consolidated Summary Statement of Changes in Equity for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Annexures VI to XI thereto (hereinafter collectively referred to as "the Restated Consolidated Financial Information").

The Restated Consolidated Financial Information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act') read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('the Rules') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 notified by SEBI on August 26, 2009, as amended from time to time in pursuance to the provisions of Securities and Exchange Board of India Act, 1992 ("the ICDR Regulations"). The Act and the ICDR Regulations require the information in respect of the assets and liabilities and profits and losses of the Group and associates for each of the five years immediately preceding the issue of the Prospectus.

These Restated Consolidated Financial Information were approved by the Board of Directors of the Company in their meeting held on 17 July 2018.

The Restated Consolidated Financial Information of the Group have been prepared and presented under the historical cost convention as follows:

a. As at and for the years ended 31 March 2018 and 31 March 2017: From the audited consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act and as at and for the year ended 31 March 2017, in accordance with Ind AS being the comparative period for the year ended 31 March 2018, which have been approved by the Board of Directors on 13 July 2018.

b. As at and for the year ended 31 March 2016: From the audited consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2016 prepared in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, which has been approved by the Board of Directors on 10 August 2016 and which has been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the year ended 31 March 2018.

c. As at and for the year ended 31 March 2015 and 31 March 2014: From the audited special purpose consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2015 and 31 March 2014, prepared in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, which has been approved by the Board of Directors on 13 July 2018 and which have been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the year ended 31 March 2018.

The Restated Consolidated Financial Information as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Consolidated Financial Information".

For the preparation of Proforma Ind AS financial statements as at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 which were prepared under previous generally accepted accounting principles followed in India (Previous GAAP) and based on the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016, following accounting policy choices/ restatements were made:

i. Ind AS transition adjustments and accounting policy choices as initially adopted on 1 April 2016 were effected from 1 April 2013 for the preparation of Proforma Ind AS financial information;

ii. Opening balance sheet was restated to recognise all assets and liabilities whose recognition is required by Ind AS;

iii. All mandatory exceptions and optional exemptions available under Ind AS 101 were analysed on case to case basis for the first-time adoption and restatement adjustments were made accordingly. Refer note 53 for the list of mandatory and optional exemptions availed by the Group.

iv. In accordance with Ind AS 101, the Group has opted for optional exemption for not applying retrospectively accounting principles of Ind AS 103 for business combinations that occurred before the transition date (i.e. 1 April 2013) and accordingly not to apply Ind AS 103 for business combinations that have occurred between the period 1 April 2013 and 31 March 2016;

v. In accordance with Ind AS 101, Group has elected to continue with the carrying values under the previous GAAP to measure all the items of property, plant and equipment. Accordingly, the same accounting policy choice has been followed as at 1 April 2013 for the purpose of measuring property plant and equipment.

Therefore, the accounting policies set out elsewhere in this document should be read along with the approach adopted for the preparation of the financial information as set out in (i) to (v) above.

The Restated Consolidated Financial Information are prepared by applying uniform accounting policies for similar transactions and other events in similar circumstances across the Group and its associates. The accounting policies have been consistently applied by the Group and its associates.

The Restated Consolidated Financial Information have been prepared so as to contain information/ disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

(a) Adjustments, if any, for audit qualification requiring corrective year adjustment in the financial statements;

(b) Adjustments for the material amounts in respective years to which they relate, if any;

(c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred, if any;

(d) Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;

(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Group as at and for the year ended 31 March 2018 and the requirements of the SEBI Regulations, if any;

(f) The resultant impact of deferred tax due to the aforesaid adjustments, if any.

B. Functional and presentation currency

These Restated Consolidated Financial Information are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions with two decimals except for earnings per share details and where not mentioned otherwise.

C. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Biological assets	Fair value less cost to sell
Shared-based payments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined

Annexure VI - Basis of preparation and significant accounting policies (continued)

2 Basis of preparation (continued)

D. Use of estimates and judgements

In preparing these consolidated 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 consolidated financial statements is included in the following notes:

- Note 38(i) - leases: whether an arrangement contains a lease and lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

- Note 6 - determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 24 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 40 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3(a) - useful life of property, plant and equipment
- Note 48 - impairment of financial assets
- Note 52 - business combination

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 6 - Biological assets other than bearer plants
- Note 48(b) - Financial instruments
- Note 19(e) - 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 Group'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 Group'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 deconsolidated 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.

(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 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 and joint ventures 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.

Annexure VI - Basis of preparation and significant accounting policies (continued)

2 Basis of preparation (continued)

G. Basis of consolidation (continued)

(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 %)				
		31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Subsidiary companies:						
Dodla Holdings Pte Limited	Singapore	100.00	100.00	100.00	100.00	-
Lakeside Dairy Limited	Uganda	100.00	100.00	100.00	100.00	-
Dodla Dairy Kenya Limited	Kenya	80.00	-	-	-	-
Dodla Singapore Pte Limited	Singapore	-	-	-	-	100.00
Associates:						
Global VetMed Concepts Private Limited	India	47.94	47.94	47.94	-	-
Abyssinia Bharat Food Parks PLC	Ethiopia	-	-	-	-	34.02

(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.

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, duties, 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.

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as on 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 53).

iii. 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.

iv. 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	Useful life prescribed under Schedule II
Laboratory equipment	3 years	10 years
Temporary Structures	1 years	3 years

Freehold land is not depreciated.

*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.

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.

v. 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 including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	3 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see note 53).

(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".

Annexure VI - Basis of preparation and significant accounting policies (continued)

3 Significant accounting policies (continued)

(d) Impairment

i. Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

ii. Non -financial assets

Intangible assets and property, plant and equipment

(a) Intangible assets and property, plant and equipment 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, 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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(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 and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii. Classification and subsequent measurement

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.

Investment in subsidiaries and associates

Investment in subsidiaries and associates is carried at cost in the financial statements.

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.

Annexure VI - Basis of preparation and significant accounting policies (continued)

3 Significant accounting policies (continued)

(h) Revenue recognition

Revenue from sale of goods is recognised, when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from the sale of goods and sale of scrap is measured at the fair value of the consideration received or receivable, exclusive of sales tax and net of sales return, trade discounts and volume rebates.

Revenue from service rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the reporting date, based on the terms and conditions of the relevant agreement.

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

Basic Earnings Per Share ('EPS') 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 year, 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. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(j) Business combination

In accordance with Ind AS 103, the Group accounts for the 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 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

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 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 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 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.

(m) Income tax

Income tax 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.

Annexure VI - Basis of preparation and significant accounting policies (continued)

3 Significant accounting policies (continued)

(n) Borrowing costs

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 and contingent liabilities

i. General

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.

ii. 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.

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 benefit obligations 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 employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

(q) 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 statement. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(r) 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.

Annexure VI - Basis of preparation and significant accounting policies (continued)

3 Significant accounting policies (continued)

(s) Recent accounting pronouncements

Standards issued but not yet effective

On 28 March 2018, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after 1 April 2018:

1. Ind AS 115 - Revenue from Contracts with Customers
2. Ind AS 21 - The effect of changes in Foreign Exchange rates

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 21 – The effect of changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group has completed an initial assessment of the potential impact of the amendment on the financial statements. There is no material impact of adoption of clarification on the financial statements.

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Annexure VII - Notes to the Restated Consolidated Financial Information

Note 4: Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount

(₹ in million)

Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2017	Additions	Disposals	Forex loss	As at 31 March 2018	As at 01 April 2017	Depreciation for the year	Disposals	Forex loss	As at 31 March 2018	As at 31 March 2018
Freehold land	344.83	138.25	-	-	483.08	-	-	-	-	-	483.08
Buildings	676.90	175.77	0.23	0.38	852.06	16.65	29.96	0.01	0.03	46.57	805.49
Plant and equipment	1,332.61	389.91	5.46	1.01	1,716.05	84.96	119.59	1.26	0.12	203.17	1,512.88
Electrical installation	80.45	13.49	1.96	-	91.98	8.00	10.60	1.69	-	16.91	75.07
Electronic data processors	12.93	20.00	0.19	-	32.74	4.06	5.57	0.13	-	9.50	23.24
Office equipments	15.02	10.16	0.08	-	25.10	2.34	4.33	0.06	-	6.61	18.49
Furniture and fixtures	39.90	19.33	0.23	-	59.00	2.41	5.30	0.11	-	7.60	51.40
Laboratory equipment	192.06	138.04	1.70	0.02	328.38	65.32	87.15	1.34	-	151.13	177.25
Vehicles	22.87	16.34	6.07	0.02	33.12	3.83	3.58	1.00	0.01	6.40	26.72
Total	**2,717.57**	**921.29**	**15.92**	**1.43**	**3,621.51**	**187.57**	**266.08**	**5.60**	**0.16**	**447.89**	**3,173.62**
Add: Capital work-in-progress											160.42
											3,334.04

Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
	Deemed cost As at 01 April 2016	Additions	Disposals	Forex loss	As at 31 March 2017	Deemed cost As at 01 April 2016	Depreciation for the year	Disposals	Forex loss	As at 31 March 2017	As at 31 March 2017
Freehold land	305.90	38.93	-	-	344.83	-	-	-	-	-	344.83
Buildings	415.52	266.97	0.07	5.52	676.90	-	16.91	-	0.26	16.65	660.25
Plant and equipment	840.42	522.01	16.04	13.78	1,332.61	-	86.03	-	1.07	84.96	1,247.65
Electrical installation	49.37	31.15	0.07	-	80.45	-	8.00	-	-	8.00	72.45
Electronic data processors	6.23	6.78	0.08	-	12.93	-	4.06	-	-	4.06	8.87
Office equipments	5.83	9.23	0.03	0.01	15.02	-	2.34	-	-	2.34	12.68
Furniture and fixtures	14.21	25.79	0.08	0.02	39.90	-	2.41	-	-	2.41	37.49
Laboratory equipment	116.25	76.43	0.50	0.12	192.06	-	65.32	-	-	65.32	126.74
Vehicles	23.58	4.32	4.27	0.76	22.87	-	3.98	-	0.15	3.83	19.04
Total	**1,777.31**	**981.61**	**21.14**	**20.21**	**2,717.57**	**-**	**189.05**	**-**	**1.48**	**187.57**	**2,530.00**
Add: Capital work-in-progress											299.11
											2,829.11

Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2015 Proforma	Additions	Disposals	Forex loss	As at 31 March 2016 Proforma	As at 01 April 2015 Proforma	Depreciation for the year	Disposals	Forex loss	As at 31 March 2016 Proforma	As at 31 March 2016 Proforma
Freehold land	162.17	143.73	-	-	305.90	-	-	-	-	-	305.90
Buildings	316.76	129.25	1.26	2.95	441.80	13.79	12.97	0.37	0.11	26.28	415.52
Plant and equipment	789.77	212.73	3.15	6.99	992.36	80.89	73.05	1.60	0.40	151.94	840.42
Electrical installation	60.02	5.81	0.06	-	65.77	3.48	12.95	0.02	0.01	16.40	49.37
Electronic data processors	19.21	3.93	0.51	-	22.63	13.00	3.91	0.51	-	16.40	6.23
Office equipments	7.54	2.78	0.36	0.01	9.95	2.29	2.18	0.34	0.01	4.12	5.83
Furniture and fixtures	13.20	4.76	0.05	0.01	17.90	1.83	1.91	0.03	0.02	3.69	14.21
Laboratory equipment	122.93	83.89	2.90	-	203.92	42.78	46.42	1.52	0.01	87.67	116.25
Vehicles	23.67	8.25	0.82	0.63	30.47	3.75	3.79	0.57	0.08	6.89	23.58
Total	**1,515.27**	**595.13**	**9.11**	**10.59**	**2,090.70**	**161.81**	**157.18**	**4.96**	**0.64**	**313.39**	**1,777.31**
Add: Capital work-in-progress											365.20
											2,142.51

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Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 4: Property, plant and equipment and capital work-in-progress (continued)

Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
	As at 01 April 2014 Proforma	Additions	Disposals	Forex loss	As at 31 March 2015 Proforma	As at 01 April 2014 Proforma	Depreciation for the year	Disposals	Forex loss	As at 31 March 2015 Proforma	As at 31 March 2015 Proforma
Freehold land	52.60	109.57	-	-	162.17	-	-	-	-	-	162.17
Buildings	130.18	188.12	-	1.54	316.76	5.67	8.15	-	0.03	13.79	302.97
Plant and equipment	494.40	299.92	1.35	3.20	789.77	26.50	55.32	0.78	0.15	80.89	708.88
Electrical installation	21.94	38.08	-	-	60.02	1.56	1.92	-	-	3.48	56.54
Electronic data processors	16.11	3.93	0.41	0.42	19.21	7.04	6.47	0.41	0.10	13.00	6.21
Office equipments	5.07	2.55	0.07	0.01	7.54	0.54	1.79	0.04	-	2.29	5.25
Furniture and fixtures	7.11	6.09	-	-	13.20	0.54	1.29	-	-	1.83	11.37
Laboratory equipment	55.80	68.18	1.05	-	122.93	3.60	39.30	0.12	-	42.78	80.15
Vehicles	8.30	16.42	0.73	0.32	23.67	1.00	3.08	0.31	0.02	3.75	19.92
Total	**791.51**	**732.86**	**3.61**	**5.49**	**1,515.27**	**46.45**	**117.32**	**1.66**	**0.30**	**161.81**	**1,353.46**
Add: Capital work-in-progress											49.78
											1,403.24

Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
	Deemed cost as at 01 April 2013 Proforma	Additions	Disposals	Forex loss	As at 31 March 2014 Proforma	Deemed cost as at 01 April 2013 Proforma	Depreciation for the year	Disposals	Forex loss	As at 31 March 2014 Proforma	As at 31 March 2014 Proforma
Freehold land	17.10	35.50	-	-	52.60	-	-	-	-	-	52.60
Buildings	107.56	22.75	0.13	-	130.18	-	5.67	-	-	5.67	124.51
Plant and equipment	419.45	76.15	1.20	-	494.40	-	26.50	-	-	26.50	467.90
Electrical installation	20.31	1.82	0.19	-	21.94	-	1.56	-	-	1.56	20.38
Electronic data processors	12.06	4.12	0.07	-	16.11	-	7.04	-	-	7.04	9.07
Office equipments	3.00	2.15	0.08	-	5.07	-	0.54	-	-	0.54	4.53
Furniture and fixtures	6.40	0.73	0.02	-	7.11	-	0.54	-	-	0.54	6.57
Laboratory equipment	32.16	26.67	3.03	-	55.80	-	3.60	-	-	3.60	52.20
Vehicles	6.62	1.68	-	-	8.30	-	1.00	-	-	1.00	7.30
Total	**624.66**	**171.57**	**4.72**	**-**	**791.51**	**-**	**46.45**	**-**	**-**	**46.45**	**745.06**
Add: Capital work-in-progress											187.36
											932.42

(i) Capital work-in-progress

Capital work-in-progress mainly comprises new plant and machinery, buildings, chilling centres and other assets under errection for the plant.

(ii) Contractual obligations

Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

(iv) Carrying amount of property, plant and equipment (included in above) pledged as securities for borrowings - 31 March 2018: ₹ 2,937.77, 31 March 2017: ₹ 2,315.19, 31 March 2016: ₹ 1,585.54, 31 March 2015: ₹ 1,244.20, 31 March 2014: ₹ 745.06.

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Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 5: Intangible assets *(₹ in million)*

Reconciliation of carrying amount

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Gross carrying amount at the beginning of the year	**4.59**	**2.17**	**5.19**	**3.97**	**2.57**
Additions	5.78	2.49	2.28	0.82	1.40
Disposals	0.02	-	-	-	-
Forex adjustment	(0.01)	(0.07)	(0.03)	0.40	-
Gross carrying amount at the end of the year	**10.34**	**4.59**	**7.44**	**5.19**	**3.97**
Accumulated amortisation at the beginning of the year	**1.26**	**-**	**2.99**	**1.52**	**-**
Amortisation expense	2.48	1.30	2.29	1.38	1.52
Disposals	0.01	-	-	-	-
Forex adjustment	-	(0.04)	(0.01)	0.09	-
Accumulated amortisation at the end of the year	**3.73**	**1.26**	**5.27**	**2.99**	**1.52**
Carrying amount (net) at the end of the year	**6.61**	**3.33**	**2.17**	**2.20**	**2.45**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the intangible assets. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

Note 6: Biological assets other than bearer plants

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Matured Biological Assets	20.34	17.68	12.89	5.52	-
Immatured Biological Assets	7.65	5.87	5.35	7.94	4.33
	27.99	**23.55**	**18.24**	**13.46**	**4.33**

Reconciliation of carrying amount:

As at	31 March 2018		31 March 2017	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
Balance at the beginning of the year	**17.68**	**5.87**	**12.89**	**5.35**
Change in fair value (refer note 32)	4.26	5.56	5.33	3.62
Cattles matured during the year	3.36	(3.36)	3.05	(3.05)
Cattles sold/ discarded during the year	(4.96)	(0.42)	(3.59)	(0.05)
Balance at the end of the year	**20.34**	**7.65**	**17.68**	**5.87**

As at	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
Balance at the beginning of the year	**5.52**	**7.94**	**-**	**4.33**	**-**	**-**
Additions during the year	-	-	-	3.29	-	2.65
Change in fair value (refer note 32)	5.99	2.40	3.33	2.92	-	1.68
Cattles matured during the year	3.30	(3.30)	2.19	(2.19)	-	-
Cattles sold/ discarded during the year	(1.92)	(1.69)	-	(0.41)	-	-
Balance at the end of the year	**12.89**	**5.35**	**5.52**	**7.94**	**-**	**4.33**

As at 31 March 2018, there were 212 cattle (31 March 2017: 202 cattle, 31 March 2016: 170 cattle, 31 March 2015: 191 cattle, 31 March 2014: 129 cattle) as immatured biological assets and 245 cattle (31 March 2017: 221 cattle, 31 March 2016: 183 cattle, 31 March 2015: 69 cattle, 31 March 2014: Nil) as matured biological assets. During the current year, the Group has sold/ discarded 76 cattle (year ended 31 March 2017: 52 cattle; year ended 31 March 2016: 70 cattle; year ended 31 March 2015: 14 cattle, year ended 31 March 2014: Nil).

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 7: Non-current investments

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Investment in equity instruments					
Carried at cost less provision for other than temporary impairment					
Unquoted					
Investment in associates					
Global VetMed Concepts India Private Limited (refer note 51)	38.67	38.67	38.67	-	-
(31 March 2017: 3,866,923; 31 March 2016: 3,866,923) equity shares of face value ₹ 10 each, fully paid up (at cost)]					
Less: Provision for impairment	(38.67)	(38.67)	(38.67)	-	-
Abyssinia Bharat Food Parks PLC, Ethiopia	-	-	-	-	1.63
(31 March 2014: 59,400) equity shares of face value ₹ 10 each, fully paid up (at cost)					
Investment in quoted mutual funds (carried at fair value through profit and loss (FVTPL))	71.10	-	-	-	-
	71.10	**-**	**-**	**-**	**1.63**
Aggregate value of non-current investments - unquoted	38.67	38.67	38.67	-	1.63
Aggregate book/ market value of non-current investments - quoted	71.10	-	-	-	-
Aggregate provision for impairment in value of investment	(38.67)	(38.67)	(38.67)	-	-

Note 8: Non-current loans

Unsecured, considered good					
Security deposits	58.05	45.89	35.72	32.92	28.42
Amounts receivable from vendors	90.19	160.45	2.50	-	-
Unsecured, considered doubtful					
Amounts receivable from vendors	5.00	2.50	2.50	-	-
Less: Provision for doubtful advances	(5.00)	(2.50)	(2.50)	-	-
	148.24	**206.34**	**38.22**	**32.92**	**28.42**

Note 9: Other non-current financial assets

Balance with bank held as margin money*	-	0.50	-	-	-
Share application money pending allotment**	-	-	-	21.00	21.00
Less : Provision for doubtful advance**	-	-	-	(21.00)	(21.00)
	-	**0.50**	**-**	**-**	**-**

* Represents margin money deposits against bank guarantee.
** Forms a part of outstanding balances as disclosed under note 43 (iii)

Note 10: Other non-current assets

Capital advances					
Unsecured, considered good	7.87	64.81	302.73	251.57	251.07
Unsecured, considered doubtful	0.03	0.03	0.03	-	-
Less : Provision for doubtful advances	(0.03)	(0.03)	(0.03)	-	-
Advances other than capital advances (Unsecured, considered good)					
Prepaid operating lease rent	24.50	25.20	28.28	19.66	-
Salary advances to key managerial person**	3.00	5.40	-	-	-
Taxes paid under protest	75.03	74.93	31.01	-	-
	110.40	**170.34**	**362.02**	**271.23**	**251.07**

** Includes a part of outstanding balances as disclosed under note 43 (iii)

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 11: Inventories*					
Raw materials	233.60	188.25	49.85	285.25	230.81
Work-in-progress	456.46	244.57	297.66	425.44	100.39
Finished goods**	602.28	394.56	540.36	697.24	137.26
Stock-in-trade	8.30	-	0.36	0.51	0.20
Stores and spares	40.19	24.58	16.10	15.86	13.82
	1,340.83	**851.96**	**904.33**	**1,424.30**	**482.48**
Carrying amount of inventories (included in above) pledged as securities for borrowings	1,295.79	828.18	891.49	1,416.66	482.48

*Refer note 3 (f) for mode of valuation for inventories.

**includes goods-in-transit amounting to ₹ Nil (31 March 2017: ₹ 16.89; 31 March 2016: ₹ 25.11; 31 March 2015: ₹ 8.75; 31 March 2014: ₹ 11.63).

The write down of inventories to net realisable value during the year amounted to ₹ 0.82 (31 March 2017: ₹ 0.10, 31 March 2016: ₹ 30.30; 31 March 2015: ₹ 25.90; 31 March 2014: Nil). The write down are included in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress.

Note 12: Current investments					
Investment in quoted mutual funds (carried at FVTPL)	598.49	683.54	637.10	609.72	925.60
	598.49	**683.54**	**637.10**	**609.72**	**925.60**
Carrying amount of investments (included in above) pledged as securities for borrowings	531.42	632.79	395.52	396.07	-
Aggregate book/ market value of current investments - quoted	598.49	683.54	637.10	609.72	925.60
Aggregate amount of impairment in value of investment	-	-	-	-	-

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 48.

Note 13: Trade receivables					
Unsecured, considered good	36.05	14.28	20.37	16.06	6.49
Unsecured, considered doubtful	0.45	1.33	4.00	3.02	2.39
	36.50	**15.61**	**24.37**	**19.08**	**8.88**
Less: Allowance for doubtful debts	(0.45)	(1.33)	(4.00)	(3.02)	(2.39)
	36.05	**14.28**	**20.37**	**16.06**	**6.49**
Carrying amount of receivables (included in above) pledged as securities for borrowings	19.35	5.26	5.07	11.52	6.49
Due date based ageing					
- Debts outstanding for a period exceeding six months from the date they became due	0.92	1.87	4.42	3.05	2.61
- Other debts	35.58	13.74	19.95	16.03	6.27
	36.50	**15.61**	**24.37**	**19.08**	**8.88**

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 48.

Note 14: Current loans					
Unsecured, considered good					
Loans to director (refer note 47)**	-	12.50	12.50	-	-
Amounts receivable from vendors	67.00	-	-	-	-
	67.00	**12.50**	**12.50**	**-**	**-**

** Forms a part of outstanding balances as disclosed under note 43 (iii)

Note 15: Cash and bank balances					
(a) Cash and cash equivalents:					
Cash on hand	15.03	20.30	13.24	12.65	44.82
Balances with banks					
-in current accounts#	74.14	91.32	104.95	161.80	310.18
-in deposit accounts (with original maturity of less than three months)	50.00	-	-	9.39	73.12
	139.17	**111.62**	**118.19**	**183.84**	**428.12**
(b) Other bank balances*	0.70	-	-	2.41	-
	0.70	**-**	**-**	**2.41**	**-**

Current account balances with banks include funds which are not freely available amounting to ₹ Nil (31 March 2017: ₹ 13.53; 31 March 2016: ₹ 13.53; 31 March 2015: Nil; 31 March 2014: Nil) (refer note 43(c))
* Represents margin money deposits against bank guarantee.

Note 16: Derivatives					
Cross currency interest rate swaps	-	4.88	11.28	11.27	12.07
	-	**4.88**	**11.28**	**11.27**	**12.07**

Details about the Group's exposure to credit and market risks and fair value measurement is included in note 48.

Note 17: Other current financial assets					
Unsecured, considered good					
Interest accrued **	1.63	1.39	1.30	1.05	3.69
Excess remuneration paid to managing director held in trust**	-	-	-	11.54	-
Inter corporate deposits	-	-	-	-	55.00
Share application money pending allotment - Dodla Milk Processing Plc - Ethiopia (refer note 43(c))					
Unsecured, considered good	-	-	-	12.99	14.74
Unsecured, considered doubtful	-	2.30	2.30	1.75	-
Less: provision for doubtful advances	-	(2.30)	(2.30)	(1.75)	-
	1.63	**1.39**	**1.30**	**25.58**	**73.43**

** Includes a part of outstanding balances as disclosed under note 43 (iii)

Note 18: Other current assets					
Advances other than capital advances:					
Unsecured considered good:					
Salary advances to employees	3.93	3.13	2.88	2.43	2.23
Salary advances to key managerial person**	2.40	2.40	3.48	0.08	-
Prepaid expenses	21.38	14.12	8.02	5.59	5.29
Advance to suppliers	6.93	245.73	11.22	42.73	68.20
Other advances**	9.09	16.64	6.74	5.42	2.88
Prepaid operating lease rent	0.54	0.54	0.54	0.54	-
Balance with government authorities	34.96	17.92	6.17	-	-
Unsecured, considered doubtful:					
Other advances **	53.64	53.64	53.64	55.59	33.95
Less : Provision for doubtful advances	(53.64)	(53.64)	(53.64)	(55.59)	(33.95)
	79.23	**300.48**	**39.05**	**56.79**	**78.60**

** Includes a part of outstanding balances as disclosed under note 43 (iii)

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 19: Equity share capital

(₹ in million except per share data)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Authorised					
75,000,000 (31 March 2017, 2016, 2015, 2014: 6,000,000) equity shares of ₹10 each	750.00	60.00	60.00	60.00	60.00
	750.00	**60.00**	**60.00**	**60.00**	**60.00**
Issued, subscribed & paid up share capital					
3,274,823 (31 March 2017, 2016, 2015, 2014: 3,274,823) equity shares of ₹10 each fully paid up	32.75	32.75	32.75	32.75	32.75
	32.75	**32.75**	**32.75**	**32.75**	**32.75**

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

As at	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	3,274,823	32.75	3,274,823	32.75
Issued during the year	-	-	-	-
Outstanding at the end of the year	**3,274,823**	**32.75**	**3,274,823**	**32.75**

As at	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares						
At the commencement of the year	3,274,823	32.75	3,274,823	32.75	3,274,823	32.75
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**3,274,823**	**32.75**	**3,274,823**	**32.75**	**3,274,823**	**32.75**

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

The Group has a single class of equity shares as at 31 March 2018 having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Group, TPG Dodla Dairy Holdings Pte. Ltd ("the Investor") shall be paid from the distributable proceeds, an amount (hereafter referred to as the "investor liquidation amount") which is the higher of:

(i) an amount equal to the investment amount, plus any accrued or declared but unpaid dividends on its investor shares; and

(ii) such amount as is equivalent to it's proportionate share of the distributable proceeds, based on the Investor's then existing shareholding percentage, provided that, in the event that the distributable proceeds are less than the investor liquidation amount, the investor will have the right to receive (and the Promoters and the Group shall procure that the Investor receives) the entire distributable proceeds.

After the payment in full is made to the Investor, as set forth in above clause, the balance of the distributable proceeds, if any, shall be distributed to all shareholders, excluding the Investor pro rata in proportion to their inter se shareholding held in the Group.

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

As at	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹10/- each fully paid-up				
Mr. D. Sunil Reddy	832,124	25.41%	832,124	25.41%
Mrs. D. Girija Reddy	1	0.00%	822,120	25.10%
Mrs. D. Deepa Reddy	363,256	11.09%	363,256	11.09%
Mr. D. Subba Reddy	1	0.00%	337,499	10.31%
Mr. D. Sesha Reddy	1,195,238	36.50%	-	-
Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd	-	-	774,823	23.66%
TPG Dodla Dairy Holdings Pte. Ltd.	884,202	27.00%	-	-

As at	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹10/- each fully paid-up						
Mr. D. Sunil Reddy	832,124	25.41%	832,124	25.41%	832,124	25.41%
Mrs. D. Girija Reddy	822,120	25.10%	822,120	25.10%	822,120	25.10%
Mrs. D. Deepa Reddy	363,256	11.09%	363,256	11.09%	363,256	11.09%
Mr. D. Subba Reddy	337,499	10.31%	337,499	10.31%	337,499	10.31%
Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd	774,823	23.66%	774,823	23.66%	-	-
BR CPF Holdings (Mauritius) Limited	-	-	-	-	774,823	23.66%

(d) During the five years immediately preceeding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(e) Share based payment arrangement

During the financial year 2017-18, the Holding 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 Holding 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 Holding Company granted 49,122 options on 23 March 2018 at an exercise price of ₹ 3,627.38 per share to the Chief Executive Officer of the Company. Each option represents one equity share of ₹ 10/- each.

Movement in the options under the Plan	No. of options				
As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Options outstanding at the beginning of the year	-	-	-	-	-
Options granted during the year	49,122	-	-	-	-
Options exercised during the year	-	-	-	-	-
Options exercisable at the end of the year	**49,122**	**-**	**-**	**-**	**-**

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	49,122
Date of grant	23-Mar-18
Vesting period (years)	1 to 4
Expected volatility	45.00%
Risk free rate	7.60%

(f) The Board of Directors of the Holding Company in their meeting held on 13 July 2018 have proposed for the issuance of Bonus shares in the ratio of 16:1 to the existing shareholders of the Holding Company. The proposal of the Board of Directors was approved by the Shareholders of the Holding Company in their Annual General Meeting held on 17 July 2018.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued) *(₹ in million)*

Note 20: Other equity

Particulars	Attributable to the owners of the Company					
	Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2013 Proforma	**12.00**	**1,092.25**	**-**	**515.84**	**-**	**1,620.09**
Additions:						
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	1.03	-	1.03
Net profit after tax transferred from the statement of profit and loss	-	-		253.45	-	253.45
Balance as at 31 March 2014 Proforma	**12.00**	**1,092.25**	**-**	**770.32**	**-**	**1,874.57**

Particulars	Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2014 Proforma	**12.00**	**1,092.25**	**-**	**770.32**	**-**	**1,874.57**
Additions:						
Foreign currency translation difference	-	-	(25.18)	-	-	(25.18)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	1.07	-	1.07
Net profit after tax transferred from the statement of profit and loss	-	-	-	113.28	-	113.28
Balance as at 31 March 2015 Proforma	**12.00**	**1,092.25**	**(25.18)**	**884.67**	**-**	**1,963.74**

Particulars	Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2015 Proforma	**12.00**	**1,092.25**	**(25.18)**	**884.67**	**-**	**1,963.74**
Additions:						
Foreign currency translation difference	-	-	(13.50)	-	-	(13.50)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(1.80)	-	(1.80)
Net profit after tax transferred from the statement of profit and loss	-	-	-	528.31	-	528.31
Less: Interim dividend on equity shares [₹ 25 per share] and dividend distribution tax thereon	-	-	-	(98.54)	-	(98.54)
Balance as at 31 March 2016 Proforma	**12.00**	**1,092.25**	**(38.68)**	**1,312.64**	**-**	**2,378.21**

Particulars	Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2016	**12.00**	**1,092.25**	**(38.68)**	**1,312.64**	**-**	**2,378.21**
Additions:						
Foreign currency translation difference	-	-	(32.77)	-	-	(32.77)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(2.70)	-	(2.70)
Net profit after tax transferred from the statement of profit and loss	-	-	-	465.31	-	465.31
Balance as at 31 March 2017	**12.00**	**1,092.25**	**(71.45)**	**1,775.25**	**-**	**2,808.05**

Particulars	Capital redemption reserve	Securities premium	FCTR	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2017	**12.00**	**1,092.25**	**(71.45)**	**1,775.25**	**-**	**2,808.05**
Additions:						
Foreign currency translation difference	-	-	(2.78)	-	-	(2.78)
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	15.30	-	15.30
Employee share based payment expense	-	-	-	-	0.60	0.60
Net profit after tax transferred from the statement of profit and loss	-	-	-	543.67	-	543.67
Balance as at 31 March 2018	**12.00**	**1,092.25**	**(74.23)**	**2,334.22**	**0.60**	**3,364.84**

Nature and purpose of the reserve

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 19(e)).

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.

Securities Premium

Securities premium reserve 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 (FCTR)

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.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(₹ in million)

Note 21: Non-current borrowings

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Secured					
Term loans					
- from banks (refer below)	222.50	315.00	323.79	80.92	126.82
	222.50	**315.00**	**323.79**	**80.92**	**126.82**

Borrowings : Statement of details of long-term borrowings taken by the Holding Company outstanding as at 31 March 2018

S. No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount outstanding as at 31 March 2018	Rate of Interest as on 31 March 2018	Year of sanction	Repayment terms	Prepayment charges	Default charges/ Penal interest	Security
1	HDFC Bank	Term Loan	INR	65.00	60.93	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from January 2018 of ₹ 4.06 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Holding Company, Mr. Sunil Reddy.
2	HDFC Bank	Term Loan	INR	100.00	93.75	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from January 2018 of ₹ 6.25 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Holding Company, Mr. Sunil Reddy.
3	HDFC Bank	Term Loan	INR	90.00	28.13	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from September 2016 of ₹ 3.13 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Holding Company, Mr. Sunil Reddy.
4	HDFC Bank	Term Loan	INR	25.00	23.44	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from January 2018 of ₹ 1.56 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Holding Company, Mr. Sunil Reddy.
5	HDFC Bank	Term Loan	INR	60.00	56.25	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from January 2018 of ₹ 3.75 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Holding Company, Mr. Sunil Reddy.
6	HDFC Bank	Term Loan	INR	150.00	52.50	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from April 2017 of ₹ 4.38 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Holding Company, Mr. Sunil Reddy.

Aggregate amount of loans (including current maturities) guaranteed by the directors of the Holding Company outstanding as at 31 March 2018 is ₹ 315.00 millions (31 March 2017: ₹ 393.04, 31 March 2016: ₹ 384.66, 31 March 2015: ₹ 130.55, 31 March 2014: ₹ 360.20)
Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 48.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 22: Deferred tax liabilities					
The balance comprises temporary differences attributable to:					
Deferred tax liabilities					
On account of property, plant and equipment (PPE)	268.58	194.98	145.21	128.03	102.87
Fair value changes in mutual funds	16.99	14.71	9.45	12.98	8.06
Others	-	-	-	-	0.58
Deferred tax assets					
Provision for employee benefits	(39.40)	(42.34)	(27.52)	(18.75)	(9.69)
Provision for doubtful debts and advances	(20.34)	(20.54)	(21.55)	(20.48)	(12.44)
Unabsorbed business loss	(22.88)	(31.08)	(21.55)	(9.51)	-
Others	(13.23)	(15.48)	(13.31)	(1.25)	-
Net deferred tax liabilities	**189.72**	**100.25**	**70.73**	**91.02**	**89.38**

Also refer note 39, for tax expense.

Movement in deferred tax liabilities/ (assets)

	Carried forward losses	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2013 Proforma	**-**	**92.14**	**7.54**	**(6.59)**	**(13.66)**	**-**	**79.43**
Charged/ (credited):							
- to profit or loss	-	10.73	0.52	(3.65)	1.22	0.58	9.40
- to other comprehensive income	-	-	-	0.55	-	-	0.55
Balance as at 31 March 2014 Proforma	**-**	**102.87**	**8.06**	**(9.69)**	**(12.44)**	**0.58**	**89.38**

	Carried forward losses	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2014 Proforma	**-**	**102.87**	**8.06**	**(9.69)**	**(12.44)**	**0.58**	**89.38**
Charged/ (credited):							
- to profit or loss	(9.51)	25.16	4.92	(9.63)	(8.04)	(1.83)	1.07
- to other comprehensive income	-	-	-	0.57	-	-	0.57
Balance as at 31 March 2015 Proforma	**(9.51)**	**128.03**	**12.98**	**(18.75)**	**(20.48)**	**(1.25)**	**91.02**

	Carried forward losses	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2015 Proforma	**(9.51)**	**128.03**	**12.98**	**(18.75)**	**(20.48)**	**(1.25)**	**91.02**
Charged/ (credited):							
- to profit or loss	(12.04)	17.18	(3.53)	(7.82)	(1.07)	(12.06)	(19.34)
- to other comprehensive income	-	-	-	(0.95)	-	-	(0.95)
Balance as at 31 March 2016 Proforma	**(21.55)**	**145.21**	**9.45**	**(27.52)**	**(21.55)**	**(13.31)**	**70.73**

	Carried forward losses	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2016	**(21.55)**	**145.21**	**9.45**	**(27.52)**	**(21.55)**	**(13.31)**	**70.73**
Charged/ (credited):							
- to profit or loss	(9.53)	49.77	5.26	(13.39)	1.01	(2.17)	30.95
- to other comprehensive income	-	-	-	(1.43)	-	-	(1.43)
Balance as at 31 March 2017	**(31.08)**	**194.98**	**14.71**	**(42.34)**	**(20.54)**	**(15.48)**	**100.25**

	Carried forward losses	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2017	**(31.08)**	**194.98**	**14.71**	**(42.34)**	**(20.54)**	**(15.48)**	**100.25**
Charged/ (credited):							
- to profit or loss	8.20	73.60	2.28	(5.16)	0.20	2.25	81.37
- to other comprehensive income	-	-	-	8.10	-	-	8.10
Balance as at 31 March 2018	**(22.88)**	**268.58**	**16.99**	**(39.40)**	**(20.34)**	**(13.23)**	**189.72**

Note 23: Government grants

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non-current	34.52	14.46	15.91	3.45	3.67
Current	2.86	1.46	1.46	0.22	0.22
	37.38	**15.92**	**17.37**	**3.67**	**3.89**

Movement of government grants:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Balance at the beginning of the year	**15.92**	**17.37**	**3.67**	**3.89**	**4.11**
Add: Received during the year	25.78	0.43	15.00	-	-
Less: Released to statement of profit and loss (refer note 32)	(4.32)	(1.88)	(1.30)	(0.22)	(0.22)
Balance at the end of the year	**37.38**	**15.92**	**17.37**	**3.67**	**3.89**

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 24: Non-current provisions					
Provision for employee benefits					
Compensated absences	53.32	54.54	35.32	24.20	7.91
Gratuity (refer note (ii) below)	15.56	34.13	17.62	14.77	10.53
	68.88	**88.67**	**52.94**	**38.97**	**18.44**

(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.

(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 million).

a) The amounts recognised in the statement of assets and liabilities and the movements in the defined benefit obligation and plan assets over the years are as follows:

As at	31 March 2018			31 March 2017		
	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)	**60.21**	**(22.24)**	**37.97**	**42.60**	**(22.25)**	**20.35**
Current service cost	14.48	-	14.48	12.20	-	12.20
Past service cost	2.78	-	2.78	-	-	-
Interest cost	4.03	-	4.03	3.11	-	3.11
Expected returns	-	(1.49)	(1.49)	-	(1.72)	(1.72)
Total amount recognised in profit or loss (B)	**21.29**	**(1.49)**	**19.80**	**15.31**	**(1.72)**	**13.59**
Remeasurements						
(Gain)/ loss from change in demographic assumptions	(3.58)	-	(3.58)	-	-	-
(Gain)/ loss from change in financial assumptions	(20.37)	-	(20.37)	4.72	0.10	4.82
Experience losses/ (gains)	1.43	(0.88)	0.55	(0.69)	-	(0.69)
Total amount recognised in other comprehensive income (C)	**(22.52)**	**(0.88)**	**(23.40)**	**4.03**	**0.10**	**4.13**
Contributions (D)	-	(12.55)	(12.55)	-	(0.10)	(0.10)
Benefit paid (E)	(1.35)	1.35	-	(1.73)	1.73	-
Closing balance (A+B+C+D+E)	**57.63**	**(35.81)**	**21.82**	**60.21**	**(22.24)**	**37.97**

As at	31 March 2016 Proforma			31 March 2015 Proforma			31 March 2014 Proforma		
	Present value of obligation	Fair value of plan assets	Net amount	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)	**29.78**	**(13.12)**	**16.66**	**20.45**	**(8.93)**	**11.52**	**19.36**	**(8.60)**	**10.76**
Current service cost	9.17	-	9.17	9.43	-	9.43	1.53	-	1.53
Interest cost	2.27	-	2.27	1.84	-	1.84	1.79	-	1.79
Expected returns	-	(1.42)	(1.42)	-	(0.92)	(0.92)	-	(0.75)	(0.75)
Total amount recognised in profit or loss (B)	**11.44**	**(1.42)**	**10.02**	**11.27**	**(0.92)**	**10.35**	**3.32**	**(0.75)**	**2.57**
Remeasurements									
(Gain)/ loss from change in financial assumptions	1.36	0.17	1.53	3.70	(0.08)	3.62	1.51	0.01	1.52
Experience losses/ (gains)	1.22	-	1.22	(5.26)	-	(5.26)	(3.10)	-	(3.10)
Total amount recognised in other comprehensive income (C)	**2.58**	**0.17**	**2.75**	**(1.56)**	**(0.08)**	**(1.64)**	**(1.59)**	**0.01**	**(1.58)**
Contributions (D)	-	(9.08)	(9.08)	-	(3.57)	(3.57)	-	(0.23)	(0.23)
Benefit paid (E)	(1.20)	1.20	-	(0.38)	0.38	-	(0.64)	0.64	-
Closing balance (A+B+C+D+E)	**42.60**	**(22.25)**	**20.35**	**29.78**	**(13.12)**	**16.66**	**20.45**	**(8.93)**	**11.52**

Note 24: Non-current provisions (continued)

b) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Discount rate	7.60%	6.69%	7.46%	7.77%	9.10%
Salary escalation rate	10.00%	12.00%	12.00%	12.00%	12.00%
Employee attrition rate	12.00%	8.00%	8.00%	8.00%	8.00%
Retirement age	58 years	58 years	58 years	58 years	58 years

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.

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 2018		31 March 2017		31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	53.76	62.07	54.21	67.39	38.32	47.69	26.82	33.29	18.62	22.59
Salary escalation rate (1% movement)	61.81	53.90	66.24	54.88	47.02	38.67	32.87	27.05	22.35	18.75
Employee attrition rate (1% movement)	56.96	58.40	57.79	63.04	41.19	44.21	28.84	30.86	20.03	20.92

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 period) 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.

d) The major categories of plan assets are as follows

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Funds managed by Life Insurance Corporation of India	35.81	22.24	22.25	13.12	8.93
Total	**35.81**	**22.24**	**22.25**	**13.12**	**8.93**

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 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
1st following year	6.26	4.00	2.73	1.69	0.99
2nd following year	7.11	3.69	2.97	1.74	1.89
3rd following year	7.73	4.16	3.32	2.34	1.35
4th following year	6.64	4.42	3.76	2.33	1.82
5th following year	5.79	3.90	3.71	2.85	1.72
Thereafter	81.56	74.19	110.52	79.82	55.29

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 25: Current borrowings					
Loans repayable on demand from banks					
Secured					
Cash credit	212.80	-	15.49	12.90	0.14
Overdraft	355.33	343.37	341.78	347.75	-
Other loans from banks					
Secured					
Working capital demand loans	375.00	625.00	250.00	771.50	290.00
Unsecured					
Working capital demand loans	-	-	100.00	-	100.00
	943.13	**968.37**	**707.27**	**1,132.15**	**390.14**

Borrowings : Statement of details of current borrowings taken by the Holding Company outstanding as at 31 March 2018

S. No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount outstanding as at 31 March 2018	Rate of interest as on 31 March 2018	Security
1	ICICI Bank	Overdraft	INR	250.00	128.47	8.00% - 9.00%	This facility is secured by way of pari-passu first charge on the selected investments of the Holding Company in the mutual funds.
2	ICICI Bank	Working capital demand loan	INR	225.00	225.00	7.00% - 8..00%	This facility from ICICI Bank is secured by way of pari-passu first charge on the entire stock of inventory and such other movables including book debts, receivables, both present and future and a pari-passu second charge on the fixed assets of the Holding Company which are both moveable and immovable in nature (except for the fixed assets funded out of HDFC term loan) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
3	Kotak Mahindra Bank	Working capital demand loan	INR	300.00	150.00	7.70% - 8.10%	This facility is secured by pari-passu first charge on all the current assets of the Holding Company and second charge on all the fixed assets of the Holding Company including equitable mortgage on the specified property of the Holding Company, both present and future (other than assets exclusively charged to term lenders) and personal guarantee furnished by the director of the Holding Company, Mr. Sunil Reddy.
4	HDFC Bank	Cash credit and working capital demand loan	INR	200.00	12.98	Cash credit - 9.50%-10.00% Working capital demand loan - 8.00% - 9.00%	These facilities are secured by pari-passu first charge on all the current assets of the Holding Company and second charge on all the fixed assets of the Holding Company other than those financed by ICICI Bank and SCB Bank and personal guarantees furnished by the director of the Holding Company, Mr. Sunil Reddy.
5	HSBC Bank	Overdraft and Working capital demand loan	INR	200.00	199.82	7.60% - 9.10%	These facilities are secured by pari-passu hypothecation charge on entire current asset of the Holding Company, second charge on all the fixed assets of the Holding Company both present and future and personal guarantee furnished by the director of the Holding Company, Mr. Sunil Reddy.
6	HSBC Bank	Overdraft	INR	250.00	226.86	7.60% - 9.10%	This facility is secured by way of pari-passu first charge on the selected investments of the Holding Company in the mutual funds.

Aggregate amount of loans guaranteed by the directors of the Holding Company outstanding as at 31 March 2018 is ₹ 587.80 millions (31 March 2017: ₹ 625.00, 31 March 2016: ₹ 365.49, 31 March 2015: ₹ 781.41, 31 March 2014: ₹ 390.00)
Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 48.

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2016 Proforma	31 March 2016 Proforma
Note 26: Trade payables					
Total outstanding dues of micro and small enterprises (refer note below)	-	0.01	-	-	-
Total outstanding dues of other than micro and small enterprises **	631.51	514.65	439.17	435.60	311.55
	631.51	**514.66**	**439.17**	**435.60**	**311.55**

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.

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 the year:					
- Principal	-	0.01	-	-	-
- Interest	-	-	-	-	-
ii) The amount of interest paid by the Group in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year	-	-	-	-	-
iii) The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-	-	-	-
iv) 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 MSMED Act, 2006.					
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-	-
vi) 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 the MSMED Act, 2006	-	-	-	-	-
	-	**0.01**	-	-	-

** Includes a part of outstanding balances as disclosed under note 43 (iii)

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 48.

Note 27: Other financial liabilities					
Current maturities of long term debt from banks (refer note 21)	92.50	78.04	60.87	49.63	233.38
Current maturities of long term debts from other than banks	-	-	-	-	0.60
Interest accrued but not due on borrowings	2.72	4.63	5.38	3.52	2.78
Capital creditors	33.71	26.13	12.53	9.92	10.01
Employee payables**	91.63	62.03	63.49	39.63	30.18
Security deposits	97.26	73.94	44.63	24.06	15.51
	317.82	**244.77**	**186.90**	**126.76**	**292.46**

** Includes a part of outstanding balances as disclosed under note 43 (iii)

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 48.

Note 28: Current provisions					
Provision for employee benefits					
Compensated absences	9.89	4.54	2.86	2.45	1.42
Gratuity (refer note 24)	6.26	3.84	2.73	1.89	0.99
	16.15	**8.38**	**5.59**	**4.34**	**2.41**
Note 29: Income tax assets and current tax liabilities					
Current tax liability	132.74	112.46	99.22	116.70	77.45
Current tax asset	(46.19)	(43.54)	(44.16)	(0.44)	(10.59)
	86.55	**68.92**	**55.06**	**116.26**	**66.86**

Also refer note 39, for tax expense.

Note 30: Other current liabilities					
Advances from customers	18.31	24.03	21.66	19.57	10.51
Statutory dues (including provident fund and tax deducted at source)	31.94	24.05	15.84	7.27	7.33
	50.25	**48.08**	**37.50**	**26.84**	**17.84**

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(₹ in million)

For the Year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 31: Revenue from operations					
Sale of goods:					
- Finished goods	15,746.54	14,393.32	11,972.16	10,217.26	8,410.76
- Traded goods	145.06	-	26.04	25.27	2.10
Sale of services					
- Conversion service charges	6.66	1.19	5.09	2.40	2.14
Other operating revenue					
- Sale of scrap	6.49	5.93	5.72	3.88	4.19
	15,904.75	**14,400.44**	**12,009.01**	**10,248.81**	**8,419.19**
Note 32: Other income					
Interest income					
- on deposits	0.03	0.02	0.19	0.92	9.51
- on others	3.28	3.44	2.76	4.24	6.75
Amortisation of government grants (refer note (i) below and note 23)	4.32	1.88	1.30	0.22	0.22
Changes in fair value of biological assets (refer note 6)	9.82	8.95	8.39	6.25	1.68
Fair value gain on financial assets measured at fair value through profit and loss	32.51	26.83	11.57	27.99	16.23
Dividend income from investment in mutual funds	3.90	19.56	23.03	29.49	14.12
Profit on sale of investments in mutual funds, net	0.82	3.73	1.94	5.15	1.38
Profit on sale of investment in associate	-	-	-	0.55	-
Gain on account of foreign exchange fluctuations, net	1.43	1.95	5.44	3.41	3.51
Other non-operating income	9.27	6.90	5.44	6.47	15.81
	65.38	**73.26**	**60.06**	**84.69**	**69.21**

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 statement of profit and loss.

Note 33: Cost of materials consumed					
Inventory of materials at the beginning of the year	188.25	49.85	285.25	230.81	22.22
Add: Purchases	12,789.71	11,295.11	8,690.39	9,344.22	6,553.66
Less: Inventory of materials at the end of the year	233.60	188.25	49.85	285.25	230.81
Foreign currency translation adjustment	(0.10)	(0.93)	(0.36)	0.38	-
	12,744.26	**11,155.78**	**8,925.43**	**9,290.16**	**6,345.07**
Break up of cost of material consumed					
Consumption of raw material	12,176.81	10,652.80	8,557.45	8,940.12	6,071.62
Consumption of packing material	567.45	486.74	343.10	324.16	261.45
Consumption of consumables for biological assets	-	16.24	24.88	25.88	12.00
	12,744.26	**11,155.78**	**8,925.43**	**9,290.16**	**6,345.07**
Note 34: Changes in inventories of finished goods, work-in-progress and stock-in-trade					
a) Finished goods					
Opening stock	394.56	540.36	697.24	137.26	337.35
Closing stock	(602.28)	(394.56)	(540.36)	(697.24)	(137.26)
	(207.72)	**145.80**	**156.88**	**(559.98)**	**200.09**
b) Work-in-progress					
Opening stock	244.57	297.66	425.44	100.39	380.17
Closing stock	(456.46)	(244.57)	(297.66)	(425.44)	(100.39)
	(211.89)	**53.09**	**127.78**	**(325.05)**	**279.78**
c) Stock-in-trade					
Opening stock	-	0.36	0.51	0.20	0.06
Closing stock	(8.30)	-	(0.36)	(0.51)	(0.20)
	(8.30)	**0.36**	**0.15**	**(0.31)**	**(0.14)**
d) Foreign currency translation adjustment	**0.69**	**(0.72)**	**(0.31)**	-	-
	(427.22)	**198.53**	**284.50**	**(885.34)**	**479.73**
Note 35: Employee benefits expense					
Salaries, wages and bonus	578.50	494.83	440.70	320.08	239.15
Employee share based payment expenses (refer notes 19(e) and 20)	0.60	-	-	-	-
Contribution to provident and other funds	41.66	34.09	28.44	22.35	16.65
Expenses related to post-employment defined benefit plans (refer note 24)	19.80	13.59	10.02	10.35	2.57
Staff welfare expenses	9.23	7.42	9.98	10.22	10.13
	649.79	**549.93**	**489.14**	**363.00**	**268.50**
Note 36: Depreciation and amortisation expense					
Depreciation of property, plant and equipment	266.08	189.05	157.18	117.32	46.45
Amortisation of intangible assets	2.48	1.30	2.29	1.38	1.52
	268.56	**190.35**	**159.47**	**118.70**	**47.97**
Note 37: Finance costs					
Interest expense on loan from banks	98.45	72.87	96.94	65.26	26.84
Other interest costs	1.23	4.31	7.41	11.34	6.63
Other borrowing costs	0.02	0.86	3.82	6.18	3.24
	99.70	**78.04**	**108.17**	**82.78**	**36.71**

(₹ in million)

For the Year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 38: Other expenses					
Power and fuel	279.08	235.46	187.86	176.12	127.58
Consumption of stores and spare parts	134.76	108.78	89.21	85.18	67.06
Conversion and processing charges	-	0.63	8.76	4.10	-
Milk procurement expenses	10.96	10.59	12.42	8.47	7.09
Freight inward and handling	397.89	353.06	279.45	249.93	175.44
Repairs and maintenance:					
- building	23.02	13.71	14.95	7.73	5.01
- machinery	21.16	10.09	6.49	12.00	7.89
- other assets	3.11	4.52	7.08	3.39	1.02
Rent (refer note (i) below)	53.41	48.12	54.22	37.19	27.40
Rates and taxes	24.43	22.38	12.56	7.91	10.95
Communication expenses	10.75	10.46	9.34	8.50	7.34
Printing and stationery	7.63	5.05	4.52	3.96	3.43
Travelling and conveyance	53.77	47.92	53.44	36.12	35.62
Vehicle hire charges	8.66	8.16	7.06	5.81	5.18
Bank charges	5.26	6.13	7.09	6.02	4.85
Legal and professional charges (refer note (ii) below)	49.21	50.07	33.60	33.89	27.82
Security expenses	29.41	24.82	17.30	14.37	10.32
Bad debts written off	3.06	2.75	-	-	-
Advances written off	2.33	-	0.33	0.27	-
Provision for doubtful debts	(0.88)	(2.59)	1.04	0.65	0.72
Provision for doubtful advances	0.20	-	(19.87)	23.39	17.14
Provision for other than temporary diminution in the value of investment in associate	-	-	38.67	-	-
Insurance	12.81	10.16	7.80	6.45	1.51
Loss on sale/ retirement of property, plant and equipment, net	6.19	17.47	1.68	0.41	1.20
Loss on sale/ retirement of biological assets	3.67	2.59	0.71	0.28	-
Corporate social responsibility (refer note (iii) below)	6.19	0.22	-	-	-
Freight and forwarding	152.30	176.45	156.80	159.62	137.19
Advertisement expenses	51.36	75.44	39.49	11.00	25.07
Distribution expenses	440.55	349.33	270.54	240.94	192.23
Miscellaneous expenses	33.99	28.77	21.14	25.53	18.81
	1,824.28	**1,620.54**	**1,323.68**	**1,169.23**	**917.87**

Note:

(i) Operating leases:

The Group has certain cancellable operating leases for plants, chilling centres and milk parlours. Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expense of ₹ 53.41 (31 March 2017: ₹ 48.12 ; 31 March 2016: ₹ 54.22 ; 31 March 2015: ₹ 37.19; 31 March 2014: ₹ 27.40) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

(ii) Auditors remuneration (included in legal and professional, including tax)

Audit fees					
Statutory audit*	6.88	5.54	5.86	3.76	3.15
Other services	-	0.65	1.66	0.46	0.46
Out-of-pocket expenses	0.28	0.25	0.36	0.34	0.12
	7.16	**6.44**	**7.88**	**4.56**	**3.73**

* includes ₹ 0.30 billed in the year ended 31 March 2015 for the statutory audit for the year ended 31 March 2014.

(iii) Corporate social responsibility

Gross amount required to be spent by the Group during the year amounts to ₹ 10.43 (31 March 2017: ₹ 8.48; 31 March 2016: ₹ 6.64; 31 March 2015: ₹ 7.37)

Amount spent during the year ended 31 March 2018 on	In cash	Yet to be paid in cash	Total
Construction or acquisition of assets	-	-	-
Purposes other than construction or acquisition of assets	6.19	-	**6.19**

Amount spent during the year 31 March 2017 on	In cash	Yet to be paid in cash	Total
Construction or acquisition of assets	-	-	-
Purposes other than construction or acquisition of assets	0.22	-	**0.22**

Amount spent during the year 31 March 2016 on	In cash	Yet to be paid in cash	Total
Construction or acquisition of assets	-	-	-
Purposes other than construction or acquisition of assets	0.72	-	**0.72**

Amount spent during the year 31 March 2015 on	In cash	Yet to be paid in cash	Total
Construction or acquisition of assets	-	-	-
Purposes other than construction or acquisition of assets	-	-	-

For the Year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 39: Income tax expense					
(a) Amounts recognised in profit or loss					
Current tax	186.04	184.27	242.25	54.00	127.54
Deferred tax	81.37	30.95	(19.34)	1.07	9.40
	267.41	**215.22**	**222.91**	**55.07**	**136.94**
(b) Amounts recognised in other comprehensive income					
Current tax	-	-	-	-	-
Deferred tax	8.10	(1.43)	(0.95)	0.57	0.55
	8.10	**(1.43)**	**(0.95)**	**0.57**	**0.55**
(c) Reconciliation of effective tax rate					
Profit before tax	**810.76**	**680.53**	**751.22**	**168.35**	**390.39**
Statutory income tax rate	34.61%	34.61%	34.61%	33.99%	33.99%
Tax using the Group's domestic tax rate	280.59	235.52	259.98	57.22	132.69
Tax effect of:					
Exempt income	(8.50)	(11.58)	(29.27)	(10.02)	(9.82)
Lower tax rate in subsidiary	(2.28)	1.56	2.13	1.40	-
Adjustment for items taxed at a lower rate	-	(3.45)	-	-	-
Others	(2.41)	(6.83)	(9.93)	6.47	14.07
	267.41	**215.22**	**222.91**	**55.07**	**136.94**

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 40: Contingent liabilities					
Claims against the Company not acknowledged as debts :					
Income tax matters	0.99	0.99	0.99	0.99	0.99
Indirect tax matters	6.44	4.09	-	-	-

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.

Note 41: Commitments

Capital commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances)	9.83	79.97	120.44	246.68	28.42

Note 42: Earnings per share ('EPS')

For the year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Earnings					
Profit attributable to equity shareholders (A)	543.67	465.31	528.31	113.28	253.45
Shares					
Weighted average number of equity shares outstanding during the period for computing basic EPS (B)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
Add: Dilutive effect of employee stock options	-	-	-	-	-
Weighted average shares used for computing diluted EPS (C)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
Basic earnings per share of face value of ₹10 (A/B)	166.02	142.09	161.33	34.59	77.39
Diluted earnings per share of face value of ₹10 (A/C)	166.02	142.09	161.33	34.59	77.39

Note 43: Related parties *(₹ in million)*

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
Entities exercising significant influence over the Company	TPG Dodla Dairy Holdings Pte. Ltd. (from 20 July 2017)
	Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd (from 11 December 2014 till 20 July 2017)
	BR CPF Holdings (Mauritius) Limited (till 11 December 2014)
Associate	Global VetMed Concepts India Private Limited ('GVC') (from 31 March 2016)
	Abyssinia Bharat Food Parks PLC, Ethiopia (till 08 July 2014)
Key management personnel ('KMP')	Mr. Sunil Reddy, Managing Director
	Mr. B.V.K. Reddy, Chief Executive Officer (CEO) (w.e.f. 26 March 2015)
Relatives of KMP	Mr. Sesha Reddy, Father of Mr. Sunil Reddy
	Mrs. Surekha Reddy, Sister of Mr. Sunil Reddy
	Ms. Shilpa Reddy, Daughter of Mr. Sunil Reddy
Enterprise over which KMP have significant influence	Dodla Dairy, Vinjimuru
	Oremus Corporate Services Private Limited (from 15 June 2015)
	D Soft India Private Limited
	Surekha Milk Chilling Centre
	Dodla Engineering, a Partnership Firm
	Global VetMed Concepts Private Limited ('GVC') (till 31 March 2016)
	Tropical Bovine Genetics Private Limited (from 20 November 2017)
	Dodla Nutri Feeds LLP (from 29 June 2017)

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

Transactions

For the year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Lease rent paid					
-Dodla Dairy, Vinjimuru	1.20	1.20	1.20	1.20	1.20
-Surekha Milk Chilling Centre	0.90	0.90	0.90	0.70	0.60
-Dodla Nutri Feeds LLP	0.25	-	-	-	-
Software maintenance expenses					
-D Soft India Private Limited	0.60	0.60	0.60	0.59	0.59
Remuneration paid to Key Managerial Personnel (refer note b)					
- Short-term employee benefits	74.02	42.38	62.23	8.72	24.21
- Post employment benefits	2.14	2.14	2.14	1.21	1.20
Purchase of raw material					
-GVC	9.03	6.24	8.31	2.71	6.57
-Dodla Nutri Feeds LLP	0.22	-	-	-	-
Sale of finished goods, (net of discounts)					
-Mr. Sunil Reddy	-*	0.05	-	0.01	-
-Mrs. Surekha Reddy	-*	0.02	0.02	-	-
Other non-operating income					
-GVC	-	-	-	-	7.58
Expenditure incurred on behalf of					
-GVC	6.77	6.91	20.81	24.33	12.43
Reimbursement of expenses paid to					
- D Soft India Private Limited	-	-	-	0.01	0.02
- Mr. Sunil Reddy	-	-	-	-	0.19
- GVC	-	-	-	-	0.63
Consultancy expense					
-Oremus Corporate Services Private Limited	0.90	1.03	2.68	-	-
-Mr. Sesha Reddy	3.60	3.60	3.60	3.60	3.60
-Ms. Shilpa Reddy	0.60	0.05	-	-	-
Unsecured loans given					
- Mr. Sunil Reddy	-	-	25.00	-	-
- Dodla Engineering	-	-	-	91.50	82.63
Unsecured loans repaid					
- Mr. Sunil Reddy	12.50	-	12.50	-	-
- Dodla Engineering	-	-	-	91.50	82.63
Sitting fees					
- Mr. B.V.K. Reddy	0.77	0.80	-	-	-
Interest income					
- Mr. Sunil Reddy	0.92	1.13	0.29	-	-
- Dodla Engineering	-	-	-	-	1.13
Investment made in the shares					
- Shares subscribed in GVC (adjusted from amount receivable)	-	-	38.57	-	-
- Shares of GVC purchased from Mr. Sunil Reddy	-	-	0.10	-	-
Purchase of goods					
-Tropical Bovine Genetics Private Limited	0.54	-	-	-	-

* Below rounding off norm adopted by the company. The actual amounts in ₹ terms are:
Sale of finished goods to Mr. Sunil Reddy - ₹ 1,866
Sale of finished goods to Mrs. Surekha Reddy - ₹ 1,140.

Note 43: Related parties (continued) *(₹ in million)*

(iii) Balances with related parties:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Other non-current financial assets					
- GVC - Share application money pending allotment	-	-	-	21.00	21.00
- GVC – Provision for doubtful advances	-	-	-	(21.00)	(21.00)
Loans					
- Mr. Sunil Reddy – Loan to director	-	12.50	12.50	-	-
Other non-current financial assets					
- Excess remuneration recoverable from D Sunil Reddy - managing director	-	-	-	11.54	-
Other current financial assets					
- Mr. Sunil Reddy – Interest accrued	-	0.10	0.10	-	-
Other current and non-current assets					
- GVC - Other advances	55.17	57.55	53.64	55.56	33.95
- GVC – Provision for doubtful advances	(53.64)	(53.64)	(53.64)	(55.56)	(33.95)
- Mr. Sunil Reddy – Advance given against salary, net	-	-	3.48	0.06	-
- Mr. B.V.K. Reddy – Advance given against salary, net	-	7.80	-	0.02	-
- Dodla Engineering	-	-	-	-	1.13
Other financial liabilities and trade payable					
- Oremus Corporate Services Private Limited – Consultancy fees payable	0.08	0.09	0.28	-	-
- Ms. Shilpa Reddy - Consultancy fees payable	-	0.05	-	-	-
- Mr. Sunil Reddy - Remuneration payable, net	0.52	0.84	-	-	0.77
- Mr. B.V.K Reddy - Remuneration payable, net	9.28	-	10.56	-	-

Notes:

a. The borrowings of the Group are secured by personal guarantees given by the director of the Holding Company, Mr. Sunil Reddy as detailed in note 21 and 25.

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 ₹ 0.60 (31 March 2017 - ₹ Nil, 31 March 2016 - ₹ Nil, 31 March 2015 - ₹ Nil, 31 March 2014 - ₹ Nil) is also not included in the remuneration disclosed above.

c. During the year 2013-14, the Group has paid share application money pending allotment to Dodla Milk Processing Plc amounting to ₹ 14.74. During the year 2014-15, the Board of directors of the Group has decided to wind up Dodla Milk Processing Plc since it does not intend to pursue the business opportunities in Ethiopia and it stands dissolved on 24 November 2015. Shares of Dodla Milk Processing Plc were not allotted to the Group. Subsequently, the Group had initiated process of settling the dues and repatriating the funds to India and has received ₹13.53, which was deposited in nostro account with Authorised dealer. The Group is required to obtain approval from Reserve Bank of India ('RBI') to utilise these funds. Accordingly, the Group had made necessary application with RBI, who in turn has issued a letter to the Group intimating the contravention made by the Group. The Group has filed the requisite applications to the RBI for compounding of the contraventions. During the current year, RBI has compounded the said offence and accordingly, the Group can now utilise the fund of ₹ 13.53 received from Ethiopia.

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

(₹ in million)

Note 44: Segment reporting

The Group is in the business of processing and selling milk and milk products. The Group's 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 Financial Statements as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

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

(i) Revenues	**For the year ended**				
	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
India	15,372.67	14,099.84	11,815.64	10,183.37	8,419.19
Outside India	532.08	300.60	193.37	65.44	-
Total	**15,904.75**	**14,400.44**	**12,009.01**	**10,248.81**	**8,419.19**

(ii) Non-current assets *	**As at**				
	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
India	3,241.49	2,815.59	2,326.85	1,529.35	1,200.86
Outside India	283.74	254.28	242.25	161.22	-
Total	**3,525.23**	**3,069.87**	**2,569.10**	**1,690.57**	**1,200.86**

* Non-current assets excludes financial instruments.

Note 45: Specified Bank Notes ("SBN")

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

Particulars	**SBNs***	**Other denomination notes**	**Total**
Closing cash in hand as on 8 November 2016	1.04	2.00	3.04
Add: Permitted receipts#	130.47	1,001.32	1,131.79
Less: Permitted payments	-	6.09	6.09
Less: Amount deposited in banks	131.51	989.93	1,121.44
Closing cash in hand as on 30 December 2016	-	**7.30**	**7.30**

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

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

Note 46: Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. The Management is of the opinion that its domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 47: Details of the loan given under Section 186 of the Companies Act, 2013

Pursuant to a scheme approved by the members by a special resolution in their meeting dated 6 July 2015, the Group, during the financial year 2015-16, has given an unsecured personal loan to the Managing Director, Mr. Sunil Reddy, carrying an interest rate of 9% p.a.

Movement in the balance during the five years are as follows:

As at	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2015 Proforma**	**31 March 2014 Proforma**
Opening	**12.50**	**12.50**	-	-	-
Given during the financial year	-	-	25.00	-	-
Repaid during the financial year	(12.50)	-	(12.50)	-	-
Closing	-	**12.50**	**12.50**	-	-

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 48: Financial instruments - fair values and risk management

(₹ in million)

Accounting classification and fair values

As at	31 March 2018		31 March 2017		31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma		Fair value level
Financial instruments by category	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	
Financial Assets											
Investments in mutual funds (refer note (a) below)	-	669.59	-	683.54	-	637.10	-	609.72	-	925.60	Level 1
Investment in associates	-	-	-	-	-	-	-	-	1.63	-	
Trade receivables	36.05	-	14.28	-	20.37	-	16.06	-	6.49	-	-
Cash and cash equivalents	139.17	-	111.62	-	118.19	-	183.84	-	428.12	-	-
Bank balances other than above	0.70	-	-	-	-	-	2.41		-	-	
Non-current loans	148.24	-	206.34	-	38.22	-	32.92	-	28.42	-	-
Current loans	67.00	-	12.50	-	12.50	-	-	-	-	-	-
Other non-current financial assets	-	-	0.50	-	-	-	-	-	-	-	-
Other current financial assets	1.63	-	1.39	-	1.30	-	25.58	-	73.43	-	-
Derivatives (refer note (b) below)	-	-	-	4.88	-	11.28	-	11.27	-	12.07	Level 2
Total Financial Assets	**392.79**	**669.59**	**346.63**	**688.42**	**190.58**	**648.38**	**260.81**	**620.99**	**538.09**	**937.67**	
Financial Liabilities											
Borrowings (current and non-current)	1,258.13	-	1,361.41	-	1,091.93	-	1,262.70	-	750.94	-	-
Trade payables	631.51	-	514.66	-	439.17	-	435.60	-	311.55	-	-
Interest accrued but not due on borrowings	2.72	-	4.63	-	5.38	-	3.52	-	2.78	-	-
Capital creditors	33.71	-	26.13	-	12.53	-	9.92	-	10.01	-	-
Security deposits	97.26	-	73.94	-	44.63	-	24.06	-	15.51	-	-
Employee payables	91.63	-	62.03	-	63.49	-	39.63	-	30.18	-	-
Total Financial Liabilities	**2,114.96**	**-**	**2,042.80**	**-**	**1,657.13**	**-**	**1,775.43**	**-**	**1,120.97**	**-**	**-**

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.

(b) The fair valuation of derivative financial assets is classified as level 2 in the fair value hierarchy as they are determined based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Note 48: Financial instruments - fair values and risk management (continued) *(₹ in million)*

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 receivable

Credit risk is managed by Head (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. 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.
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

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Expected credit loss - opening	**1.33**	**4.00**	**3.02**	**2.39**	**1.67**
Changes in loss allowance	(0.88)	(2.59)	1.04	0.65	0.72
Foreign currency translation reserve	-	(0.08)	(0.06)	(0.02)	-
Expected credit loss - closing	**0.45**	**1.33**	**4.00**	**3.02**	**2.39**

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 central treasury team monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess/ short liquidity is managed in the form of inter corporate deposits.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	As at 31 March 2018				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	631.51	631.51	631.51	-	-
Borrowings	1,258.13	1,310.69	1,062.04	109.31	139.34
Other financial liabilities	225.32	225.32	225.32	-	-
	2,114.96	**2,167.52**	**1,918.87**	**109.31**	**139.34**

Particulars	As at 31 March 2017				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	514.66	514.66	514.66	-	-
Borrowings	1,361.41	1,456.67	1,087.00	119.62	250.05
Other financial liabilities	166.73	166.73	166.73	-	-
	2,042.80	**2,138.06**	**1,768.39**	**119.62**	**250.05**

Particulars	As at 31 March 2016 Proforma				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	439.17	439.17	439.17	-	-
Borrowings	1,091.93	1,212.63	809.24	92.84	310.55
Other financial liabilities	126.03	126.03	126.03	-	-
	1,657.13	**1,777.83**	**1,374.44**	**92.84**	**310.55**

Particulars	As at 31 March 2015 Proforma				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	435.60	435.60	435.60	-	-
Borrowings	1,262.70	1,300.17	1,211.98	55.38	32.81
Other financial liabilities	77.13	77.13	77.13	-	-
	1,775.43	**1,812.90**	**1,724.71**	**55.38**	**32.81**

Particulars	As at 31 March 2014 Proforma				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	311.55	311.55	311.55	-	-
Borrowings	750.94	799.63	655.78	77.73	66.12
Other financial liabilities	58.48	58.48	58.48	-	-
	1,120.97	**1,169.66**	**1,025.81**	**77.73**	**66.12**

Note 48: Financial instruments - fair values and risk management (continued) *(₹ in million)*
Financial Risk Management (continued)

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 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Variable rate borrowings	1,258.13	1,361.41	1,073.60	1,226.04	695.34
Total	**1,258.13**	**1,361.41**	**1,073.60**	**1,226.04**	**695.34**

At the end of the reporting period, the Group had the following variable rate borrowings :

As at	31 March 2018			31 March 2017		
	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable
Financial Liabilities						
Long term borrowings (including current maturities)	9.70%	315.00	25.04%	9.70%	393.04	28.87%
Current borrowings	7.97%	943.13	74.96%	8.15%	968.37	71.13%
Total		**1,258.13**			**1,361.41**	

As at	31 March 2016 Proforma			31 March 2015 Proforma			31 March 2014 Proforma		
	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable
Financial Liabilities									
Long term borrowings	9.37%	366.33	34.12%	10.79%	93.89	7.66%	10.72%	305.20	43.89%
Current borrowings	8.42%	707.27	65.88%	10.51%	1,132.15	92.34%	10.49%	390.14	56.11%
Total		**1,073.60**			**1,226.04**			**695.34**	

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	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Interest rate - Increases by 50 basis points	(6.29)	(6.81)	(5.37)	(6.13)	(3.48)
Interest rate - Decreases by 50 basis points	6.29	6.81	5.37	6.13	3.48

Currency risk
The Group has majority of its foreign exchange exposure in the form of External commercial borrowings (ECB), payables and advances for purchase of materials and capital goods. The Group has hedged itself against the exchange rate fluctuations in relation to ECB by opting for cross currency interest rate swaps.
The following is the nominal value of outstanding derivative contracts entered into by the Group for hedging currency and interest rate related risks as at:

Particulars	Currency	As at 31 March 2018		As at 31 March 2017	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Cross currency swap and interest rate	USD	-	-	500,000	27.16

Particulars	Currency	As at 31 March 2016 Proforma		As at 31 March 2015 Proforma		As at 31 March 2014 Proforma	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Cross currency swap and interest rate	USD	1,000,000	54.33	1,500,000	81.49	2,000,000	108.65

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

Particulars	Currency	As at 31 March 2018		As at 31 March 2017	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Capital creditors	USD	-	-	35,600	2.31
Cash on hand	USD	157,272	10.02	604,047	39.17
Trade receivables	USD	567,992	36.19	58,201	3.77
Trade payables	USD	81,882	5.21	13,820	0.90

Particulars	Currency	As at 31 March 2016 Proforma		As at 31 March 2015 Proforma		As at 31 March 2014 Proforma	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Capital creditors	USD	35,600	2.36	-	-	-	-
Trade payables	EURO	-	-	-	-	689	0.06
Cash on hand	USD	307,606	20.40	-	-	-	-

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	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Foreign exchange rate - Increases by 5%	2.05	1.99	0.90	-	-*
Foreign exchange rate - Decreases by 5%	(2.05)	(1.99)	(0.90)	-	-*

* Below rounding off norm adopted by the company. The actual amount in ₹ terms are as follows:

Impact on profit after tax	31 March 2014 Proforma
Foreign exchange rate - Increases by 5%	2,845.00
Foreign exchange rate - Decreases by 5%	(2,845.00)

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 49: Capital management

(a) Risk Management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves and debt.

The Group monitors capital on the basis of the following:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Total debt	1,258.13	1,361.41	1,091.93	1,262.70	750.94
Total equity	3,397.59	2,840.80	2,410.96	1,996.49	1,907.32
Net debt to equity ratio	**37.03%**	**47.92%**	**45.29%**	**63.25%**	**39.37%**

(b) Dividends

During the year ended 31 March 2016, the Board of Directors of Dodla Dairy Limited in its meeting held on 30 October 2015 declared an interim dividend aggregating to ₹ 25 per share on 3,274,823 paid-up equity shares of ₹ 10 each.

Note 50: Description of the Group

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

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

Entity	Country of incorporation	Percentage holding (%)				
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016 Proforma	As at 31 March 2015 Proforma	As at 31 March 2014 Proforma
Subsidiary						
Dodla Holdings Pte Ltd ('DHPL')	Singapore	100.00	100.00	100.00	100.00	-
Step down subsidiaries						
Lakeside Dairy Limited ('LDL')	Uganda	100.00	100.00	100.00	100.00	-
Dodla Dairy Kenya Limited	Kenya	80.00	-	-	-	-
Dodla Singapore Pte Limited	Singapore	-	-	-	-	100.00
Associates						
Global VetMed Concepts India Private Limited (GVC)	India	47.94	47.94	47.94	-	-
Abyssinia Bharat Food Parks PLC	Ethiopia	-	-	-	-	34.02

Note 51: Investment in associate

On 31 March 2016, the Group acquired 3,866,923 shares (47.94%) in GVC for a consideration of ₹ 38.67. The Group has not recognised any share of losses of the associate as it exceeds the carrying amount of the investment.

Note 52: Business combination *(₹ in million)*

Summary of acquisition

Name and description of the acquisition	Slump purchase of assets from Dr. K Navanthi Reddy	Slump purchase of assets from A-One Milk Products Private Limited
Date of acquisition	31 October 2013	17 December 2015
Primary reason for business combination	The acquisition was made to increase the Group's base in these areas through inorganic growth.	The acquisition was made to increase the Group's base in these areas through inorganic growth.

Details of the purchase consideration and the net assets acquired are as follows:

Particulars	**Dr. K Navanthi Reddy**	**A-One Milk Products Private Limited**
Assets		
Freehold land	9.73	29.96
Freehold buildings	6.44	44.94
Plant and machinery	9.63	6.50
Net assets taken over (A)	**25.80**	**81.40**
Purchase consideration paid (B)	**25.80**	**81.40**
Goodwill (B-A)	**-**	**-**

Note 53 First-time adoption of Ind AS

The Group has prepared its first financial statements for the year ended 31 March 2018 in accordance with Ind AS. For the year ended 31 March 2017, the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. For the preparation of Proforma Ind AS financial statements as at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 which were prepared under previous generally accepted accounting principles followed in India (Previous GAAP) and based on the SEBI circular SEBI/HO/ CFD/DIL/CIR/P/2016/47 dated 31 March 2016, following accounting policies/ restatements were made:
i. Ind AS transition adjustments and accounting policy choices as initially adopted on 1 April 2016 were effected from 1 April 2013 for the preparation of Proforma Ind AS financials
ii. Opening balance sheet was restated to recognise all assets and liabilities whose recognition is required by Ind AS; and
iii. All mandatory exceptions and optional exemptions available under Ind AS 101 were analysed on case to case basis for the first-time adoption and restatement adjustments were made accordingly.

This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A.1 Optional exemptions availed

1 Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:
- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

2 Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.
The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Note 53 First-time adoption of Ind AS (continued)

Optional exemptions availed and mandatory exceptions (continued)

A.2 Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of biological assets
- Fair valuation of financial instruments carried at FVTPL

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that existed on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 53: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2017 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	D - (vii)	2,555.74	(25.74)	2,530.00	-	2,530.00
Capital work-in-progress		299.11	-	299.11	-	299.11
Intangible assets		3.33	-	3.33	-	3.33
Biological assets other than bearer plants						
Matured biological assets	D - (ii)	16.11	1.57	17.68	-	17.68
Immatured biological assets		5.87	-	5.87	-	5.87
Financial assets						
Loans		206.34	-	206.34	-	206.34
Other financial assets		0.50	-	0.50	-	0.50
Income tax assets		43.54	-	43.54	-	43.54
Other non-current assets	D - (vii)	145.14	25.20	170.34	-	170.34
Total non-current assets		**3,275.68**	**1.03**	**3,276.71**	**-**	**3,276.71**
Current assets						
Inventories		851.96	-	851.96	-	851.96
Financial assets						
Investments	D - (iii)	641.03	42.51	683.54	-	683.54
Trade receivables		14.28	-	14.28	-	14.28
Loans		12.50	-	12.50	-	12.50
Cash and cash equivalents		111.62	-	111.62	-	111.62
Derivatives		4.88	-	4.88	-	4.88
Other financial assets		1.39	-	1.39	-	1.39
Other current assets	D - (vii)	299.94	0.54	300.48	-	300.48
Total current assets		**1,937.60**	**43.05**	**1,980.65**	**-**	**1,980.65**
Total assets		**5,213.28**	**44.08**	**5,257.36**	**-**	**5,257.36**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		32.75	-	32.75	-	32.75
Other equity	C - (i)	2,760.03	20.56	2,780.59	27.46	2,808.05
Total equity		**2,792.78**	**20.56**	**2,813.34**	**27.46**	**2,840.80**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings		315.00	-	315.00	-	315.00
Deferred tax liabilities (net)	D - (iv)	119.89	10.86	130.75	(30.50)	100.25
Government grants	D - (i)	3.26	11.20	14.46	-	14.46
Provisions		88.67	-	88.67	-	88.67
Total non-current liabilities		**526.82**	**22.06**	**548.88**	**(30.50)**	**518.38**
Current liabilities						
Financial liabilities						
Borrowings		968.37	-	968.37	-	968.37
Trade payables		514.66	-	514.66	-	514.66
Other financial liabilities		244.77	-	244.77	-	244.77
Government grants	D - (i)	-	1.46	1.46	-	1.46
Provisions		8.38	-	8.38	-	8.38
Current tax liabilities		109.42	-	109.42	3.04	112.46
Other current liabilities		48.08	-	48.08	-	48.08
Total current liabilities		**1,893.68**	**1.46**	**1,895.14**	**3.04**	**1,898.18**
Total liabilities		**2,420.50**	**23.52**	**2,444.02**	**(27.46)**	**2,416.56**
Total equity and liabilities		**5,213.28**	**44.08**	**5,257.36**	**-**	**5,257.36**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 53: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2016 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	D - (vii)	1,806.13	(28.82)	1,777.31	-	1,777.31
Capital work-in-progress		365.20	-	365.20	-	365.20
Intangible assets		2.17	-	2.17	-	2.17
Biological assets other than bearer plants						
Matured biological assets		12.89	-	12.89	-	12.89
Immatured biological assets		5.35	-	5.35	-	5.35
Financial assets						
Investments		-	-	-	-	-
Loans		38.22	-	38.22	-	38.22
Other financial assets		-	-	-	-	-
Income tax assets		44.16	-	44.16	-	44.16
Other non-current assets	D - (vii)	333.74	28.28	362.02	-	362.02
Total non-current assets		**2,607.86**	**(0.54)**	**2,607.32**	**-**	**2,607.32**
Current assets						
Inventories		904.33	-	904.33	-	904.33
Financial assets						
Investments	D - (iii)	609.79	27.31	637.10	-	637.10
Trade receivables		20.37	-	20.37	-	20.37
Loans		12.50	-	12.50	-	12.50
Cash and cash equivalents		118.19	-	118.19	-	118.19
Derivatives		11.28	-	11.28	-	11.28
Other financial assets		1.30	-	1.30	-	1.30
Other current assets	D - (vii)	38.51	0.54	39.05	-	39.05
Total current assets		**1,716.27**	**27.85**	**1,744.12**	**-**	**1,744.12**
Total assets		**4,324.13**	**27.31**	**4,351.44**	**-**	**4,351.44**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		32.75	-	32.75	-	32.75
Other equity	C - (i)	2,353.84	8.77	2,362.61	15.60	2,378.21
Total equity		**2,386.59**	**8.77**	**2,395.36**	**15.60**	**2,410.96**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings		323.79	-	323.79	-	323.79
Deferred tax liabilities (net)	D - (iv)	87.00	4.62	91.62	(20.89)	70.73
Government grants	D - (i)	3.45	12.46	15.91	-	15.91
Provisions		52.94	-	52.94	-	52.94
Total non-current liabilities		**467.18**	**17.08**	**484.26**	**(20.89)**	**463.37**
Current liabilities						
Financial liabilities						
Borrowings		707.27	-	707.27	-	707.27
Trade payables		439.17	-	439.17	-	439.17
Other financial liabilities		186.90	-	186.90	-	186.90
Government grants	D - (i)	-	1.46	1.46	-	1.46
Provisions		5.59	-	5.59	-	5.59
Current tax liabilities		93.93	-	93.93	5.29	99.22
Other current liabilities		37.50	-	37.50	-	37.50
Total current liabilities		**1,470.36**	**1.46**	**1,471.82**	**5.29**	**1,477.11**
Total liabilities		**1,937.54**	**18.54**	**1,956.08**	**(15.60)**	**1,940.48**
Total equity and liabilities		**4,324.13**	**27.31**	**4,351.44**	**-**	**4,351.44**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 53: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2015 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	D - (vii)	1,373.66	(20.20)	1,353.46	-	1,353.46
Capital work-in-progress		49.78		49.78	-	49.78
Intangible assets		2.20	-	2.20	-	2.20
Biological assets other than bearer plants						
Matured biological assets	D - (ii)	3.88	1.64	5.52	-	5.52
Immatured biological assets	D - (ii)	9.46	(1.52)	7.94	-	7.94
Financial assets						
Loans		32.92	-	32.92	-	32.92
Other financial assets		-	-	-	-	-
Income tax assets		0.44	-	0.44	-	0.44
Other non-current assets	D - (vii)	251.57	19.66	271.23	-	271.23
Total non-current assets		**1,723.91**	**(0.42)**	**1,723.49**	**-**	**1,723.49**
Current assets						
Inventories		1,424.30	-	1,424.30	-	1,424.30
Financial assets						
Investments	D - (iii)	572.22	37.50	609.72	-	609.72
Trade receivables		16.06	-	16.06	-	16.06
Cash and cash equivalents		183.84	-	183.84	-	183.84
Bank balances other than above		2.41	-	2.41	-	2.41
Derivatives		11.27	-	11.27	-	11.27
Other financial assets		25.58	-	25.58	-	25.58
Other current assets	D - (vii)	56.25	0.54	56.79	-	56.79
Total current assets		**2,291.93**	**38.04**	**2,329.97**	**-**	**2,329.97**
Total assets		**4,015.84**	**37.62**	**4,053.46**	**-**	**4,053.46**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		32.75	-	32.75	-	32.75
Other equity	C - (i)	2,091.60	24.60	2,116.20	(152.46)	1,963.74
Total equity		**2,124.35**	**24.60**	**2,148.95**	**(152.46)**	**1,996.49**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings		80.92	-	80.92	-	80.92
Deferred tax liabilities (net)	D - (iv)	41.99	13.02	55.01	36.01	91.02
Government grants		3.45	-	3.45	-	3.45
Provisions		38.97	-	38.97	-	38.97
Total non-current liabilities		**165.33**	**13.02**	**178.35**	**36.01**	**214.36**
Current liabilities						
Financial liabilities						
Borrowings		1,132.15	-	1,132.15	-	1,132.15
Trade payables		435.60	-	435.60	-	435.60
Other financial liabilities		126.76	-	126.76	-	126.76
Government grants		0.22	-	0.22	-	0.22
Provisions		4.34	-	4.34	-	4.34
Current tax liabilities		0.25	-	0.25	116.45	116.70
Other current liabilities		26.84	-	26.84	-	26.84
Total current liabilities		**1,726.16**	**-**	**1,726.16**	**116.45**	**1,842.61**
Total liabilities		**1,891.49**	**13.02**	**1,904.51**	**152.46**	**2,056.97**
Total equity and liabilities		**4,015.84**	**37.62**	**4,053.46**	**-**	**4,053.46**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 53: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2014 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		757.78	-	757.78	(12.72)	745.06
Capital work-in-progress		187.36	-	187.36	-	187.36
Intangible assets		2.45	-	2.45	-	2.45
Biological assets other than bearer plants						
Matured biological assets		-	-	-	-	-
Immatured biological assets	D - (ii)	4.42	(0.09)	4.33	-	4.33
Financial assets						
Investments		1.63	-	1.63	-	1.63
Loans		28.42	-	28.42	-	28.42
Other financial assets		-	-	-	-	-
Income tax assets		10.59	-	10.59	-	10.59
Other non-current assets		251.07	-	251.07	-	251.07
Total non-current assets		**1,243.72**	**(0.09)**	**1,243.63**	**(12.72)**	**1,230.91**
Current assets						
Inventories		482.48	-	482.48	-	482.48
Financial assets						
Investments	D - (iii)	902.32	23.28	925.60	-	925.60
Trade receivables		6.49	-	6.49	-	6.49
Cash and cash equivalents		428.12	-	428.12	-	428.12
Derivatives		12.07	-	12.07	-	12.07
Other financial assets		73.43	-	73.43	-	73.43
Other current assets		92.93	-	92.93	(14.33)	78.60
Total current assets		**1,997.84**	**23.28**	**2,021.12**	**(14.33)**	**2,006.79**
Total assets		**3,241.56**	**23.19**	**3,264.75**	**(27.05)**	**3,237.70**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		32.75	-	32.75	-	32.75
Other equity	C - (i)	1,983.62	15.17	1,998.79	(124.22)	1,874.57
Total equity		**2,016.37**	**15.17**	**2,031.54**	**(124.22)**	**1,907.32**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings		126.82	-	126.82	-	126.82
Deferred tax liabilities (net)	D - (iv)	88.46	8.02	96.48	(7.10)	89.38
Government grants		3.67		3.67	-	3.67
Provisions		18.44	-	18.44	-	18.44
Total non-current liabilities		**237.39**	**8.02**	**245.41**	**(7.10)**	**238.31**
Current liabilities						
Financial liabilities						
Borrowings		390.14	-	390.14	-	390.14
Trade payables		311.55	-	311.55	-	311.55
Other financial liabilities		292.46	-	292.46	-	292.46
Government grants		0.22	-	0.22	-	0.22
Provisions		2.41	-	2.41	-	2.41
Current tax liabilities		(26.82)	-	(26.82)	104.27	77.45
Other current liabilities		17.84	-	17.84	-	17.84
Total current liabilities		**987.80**	**-**	**987.80**	**104.27**	**1,092.07**
Total liabilities		**1,225.19**	**8.02**	**1,233.21**	**97.17**	**1,330.38**
Total equity and liabilities		**3,241.56**	**23.19**	**3,264.75**	**(27.05)**	**3,237.70**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 53: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive income reconciliation from previous GAAP to Ind AS:

Reconciliation of toil comprehensive income for the year ended 31 March 2017 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	D - (vi)	14,415.26	(14.82)	14,400.44	-	14,400.44
Other income	D - (i), (ii) & (iii)	47.03	26.23	73.26	-	73.26
Total income		**14,462.29**	**11.41**	**14,473.70**	**-**	**14,473.70**
Expenses						
Cost of materials consumed	D - (ii)	11,139.54	16.24	11,155.78	-	11,155.78
Changes in inventories of finished goods, stock-in-trade and work-in-progress		198.53	-	198.53	-	198.53
Employee benefits expense	D - (ii) & (v)	549.95	(0.02)	549.93	-	549.93
Depreciation and amortisation expense	D - (ii) & (vii)	202.50	(12.15)	190.35	-	190.35
Finance costs		80.29	-	80.29	(2.25)	78.04
Provision for impairment on live stock	D - (ii)	7.81	(7.81)	-	-	-
Other expenses	D - (ii), (vi) & (vii)	1,627.97	(7.43)	1,620.54	-	1,620.54
Total expenses		**13,806.59**	**(11.17)**	**13,795.42**	**(2.25)**	**13,793.17**
Profit before tax		**655.70**	**22.58**	**678.28**	**2.25**	**680.53**
Income tax expense						
-Current tax		184.27	-	184.27	-	184.27
-Deferred tax	D - (iv)	32.89	7.67	40.56	(9.61)	30.95
Total tax expense		**217.16**	**7.67**	**224.83**	**(9.61)**	**215.22**
Profit for the year (A)		**438.54**	**14.91**	**453.45**	**11.86**	**465.31**
Other comprehensive income	D - (v)					
Items that will be reclassified subsequently to the statement of profit or loss						
Foreign currency translation reserve		-	(32.77)	(32.77)	-	(32.77)
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		-	(4.13)	(4.13)	-	(4.13)
Income tax relating to these items	D - (iv)	-	1.43	1.43	-	1.43
Other comprehensive income for the year (B)		**-**	**(35.47)**	**(35.47)**	**-**	**(35.47)**
Total comprehensive income for the year (A+B)		**438.54**	**(20.56)**	**417.98**	**11.86**	**429.84**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of toil comprehensive income for the year ended 31 March 2016 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	D - (vi)	12,013.47	(4.46)	12,009.01	-	12,009.01
Other income	D - (i), (ii) & (iii)	60.25	(0.19)	60.06	-	60.06
Total income		**12,073.72**	**(4.65)**	**12,069.07**	**-**	**12,069.07**
Expenses						
Cost of materials consumed	D - (ii)	8,900.55	24.88	8,925.43	-	8,925.43
Purchases of stock-in-trade		27.46	-	27.46	-	27.46
Changes in inventories of finished goods, stock-in-trade and work-in-progress		284.50	-	284.50	-	284.50
Employee benefits expense	D - (ii) & (v)	484.91	4.23	489.14	-	489.14
Depreciation and amortisation expense	D - (ii) & (vii)	168.31	(8.84)	159.47	-	159.47
Finance costs		121.77	0.02	121.79	(13.62)	108.17
Provision for impairment on live stock	D - (ii)	21.10	(21.10)	-	-	-
Other expenses	D - (ii), (vi) & (vii)	1,321.03	2.65	1,323.68	-	1,323.68
Total expenses		**11,329.63**	**1.84**	**11,331.47**	**(13.62)**	**11,317.85**
Profit before tax		**744.09**	**(6.49)**	**737.60**	**13.62**	**751.22**
Income tax expense						
-Current tax		242.25	-	242.25	-	242.25
-Tax for earlier years		142.26	-	142.26	(142.26)	-
-Deferred tax	D - (iv)	0.30	(7.46)	(7.16)	(12.18)	(19.34)
Total tax expense		**384.81**	**(7.46)**	**377.35**	**(154.44)**	**222.91**
Profit for the year (A)		**359.28**	**0.97**	**360.25**	**168.06**	**528.31**
Other comprehensive income	D - (v)					
Items that will be reclassified subsequently to the statement of profit or loss						
Foreign currency translation reserve		-	(13.50)	(13.50)	-	(13.50)
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		-	(2.75)	(2.75)	-	(2.75)
Income tax relating to these items	D - (iv)	-	0.95	0.95	-	0.95
Other comprehensive income for the year (B)		**-**	**(15.30)**	**(15.30)**	**-**	**(15.30)**
Total comprehensive income for the year (A+B)		**359.28**	**(14.33)**	**344.95**	**168.06**	**513.01**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 53: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive income reconciliation from previous GAAP to Ind AS:

Reconciliation of toil comprehensive income for the year ended 31 March 2015 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	D - (vi)	10,249.69	(0.88)	10,248.81	-	10,248.81
Other income	D - (ii) & (iii)	65.33	19.36	84.69	-	84.69
Total income		**10,315.02**	**18.48**	**10,333.50**	**-**	**10,333.50**
Expenses						
Cost of materials consumed	D - (ii)	9,264.28	25.88	9,290.16	-	9,290.16
Purchases of stock-in-trade		26.62	-	26.62	-	26.62
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(885.34)	-	(885.34)	-	(885.34)
Employee benefits expense	D - (ii) & (v)	349.46	13.54	363.00	-	363.00
Depreciation and amortisation expense	D - (ii) & (vii)	132.43	(1.01)	131.42	(12.72)	118.70
Finance costs		75.58	-	75.58	7.20	82.78
Provision for impairment on live stock	D - (ii)	51.94	(51.94)	-	-	-
Other expenses	D - (ii), (vi) & (vii)	1,164.34	19.22	1,183.56	(14.33)	1,169.23
Total expenses		**10,179.31**	**5.69**	**10,185.00**	**(19.85)**	**10,165.15**
Profit before tax		**135.71**	**12.79**	**148.50**	**19.85**	**168.35**
Income tax expense						
-Current tax		48.90	-	48.90	5.10	54.00
-MAT credit entitlement		(41.21)	-	(41.21)	41.21	-
-Tax for earlier years		0.12	-	0.12	(0.12)	-
-Deferred tax	D - (iv)	(5.26)	4.43	(0.83)	1.90	1.07
Total tax expense		**2.55**	**4.43**	**6.98**	**48.09**	**55.07**
Profit for the year (A)		**133.16**	**8.36**	**141.52**	**(28.24)**	**113.28**
Other comprehensive income	D - (v)					
Items that will be reclassified subsequently to the statement of profit or loss						
Foreign currency translation reserve		-	(25.18)	(25.18)	-	(25.18)
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		-	1.64	1.64	-	1.64
Income tax relating to these items	D - (iv)	-	(0.57)	(0.57)	-	(0.57)
Other comprehensive income for the year (B)		**-**	**(24.11)**	**(24.11)**	**-**	**(24.11)**
Total comprehensive income for the year (A+B)		**133.16**	**(15.75)**	**117.41**	**(28.24)**	**89.17**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of toil comprehensive income for the year ended 31 March 2014 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	D - (vi)	8,421.05	(1.86)	8,419.19	-	8,419.19
Other income	D - (ii) & (iii)	66.03	3.18	69.21	-	69.21
Total income		**8,487.08**	**1.32**	**8,488.40**	**-**	**8,488.40**
Expenses						
Cost of materials consumed	D - (ii)	6,333.07	12.00	6,345.07	-	6,345.07
Purchases of stock-in-trade		2.16	-	2.16	-	2.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress		479.73	-	479.73	-	479.73
Employee benefits expense	D - (ii) & (v)	265.32	3.18	268.50	-	268.50
Depreciation and amortisation expense		46.69	-	46.69	1.28	47.97
Finance costs		30.08	-	30.08	6.63	36.71
Provision for impairment on live stock	D - (ii)	13.18	(13.18)	-	-	-
Other expenses	D - (ii), (vi) & (vii)	941.86	(0.51)	941.35	(23.48)	917.87
Total expenses		**8,112.09**	**1.49**	**8,113.58**	**(15.57)**	**8,098.01**
Profit before tax		**374.99**	**(0.17)**	**374.82**	**15.57**	**390.39**
Income tax expense						
-Current tax		96.31	-	96.31	31.23	127.54
-Tax for earlier years		1.90	-	1.90	(1.90)	-
-Deferred tax	D - (iv)	1.06	(0.06)	1.00	8.40	9.40
Total tax expense		**99.27**	**(0.06)**	**99.21**	**37.73**	**136.94**
Profit for the year (A)		**275.72**	**(0.11)**	**275.61**	**(22.16)**	**253.45**
Other comprehensive income	D - (v)					
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		-	1.58	1.58	-	1.58
Income tax relating to these items	D - (iv)	-	(0.55)	(0.55)	-	(0.55)
Other comprehensive income for the year (B)		**-**	**1.03**	**1.03**	**-**	**1.03**
Total comprehensive income for the year (A+B)		**275.72**	**0.92**	**276.64**	**(22.16)**	**254.48**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Consolidated Financial Information (continued)

Note 53: First-time adoption of Ind AS (continued)

C (i): Reconciliation of statement of equity as previously reported under IGAAP and Ind AS

(₹ in million)

Particulars	Notes to first time adoption	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Total equity as per Indian GAAP		**2,792.78**	**2,386.59**	**2,124.35**	**2,016.37**
Government grants recognised as deferred income	D - (i)	(12.66)	(13.92)	-	-
Changes in fair value of biological assets	D - (ii)	1.57	-	0.12	(0.09)
Investment in mutual funds recognised at fair value	D - (iii)	42.51	27.31	37.50	23.28
Deferred tax on above adjustment	D - (iv)	(10.86)	(4.62)	(13.02)	(8.02)
Total equity as per Ind AS		**2,813.34**	**2,395.36**	**2,148.95**	**2,031.54**

C (ii): Reconciliation of statement of profit and loss as previously reported under IGAAP and Ind AS

Particulars	Notes to first time adoption	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Net profit after tax as per IGAAP		**438.54**	**359.28**	**133.16**	**275.72**
Government grants recognised as deferred income	D - (i)	1.68	1.08	-	-
Changes in fair value of biological assets	D - (ii)	1.57	(0.12)	0.21	(0.09)
Investment in mutual funds recognised at fair value	D - (iii)	15.20	(10.19)	14.22	1.50
Deferred tax on above adjustment	D - (iv)	(6.24)	8.40	(5.00)	(0.49)
Remeasurement of the net defined benefit obligation recognised in other comprehensive income		2.70	1.80	(1.07)	(1.03)
Net profit after tax as per Ind AS		**453.45**	**360.25**	**141.52**	**275.61**
Other comprehensive income net of taxes		(35.47)	(15.30)	(24.11)	1.03
Total comprehensive income as per Ind AS		**417.98**	**344.95**	**117.41**	**276.64**

Note 53: First-time adoption of Ind AS (continued) *(₹ in million)*

D: Notes to reconciliation

(i) Government grant

The Group has received government grants against the capital expenditure incurred. Under the previous GAAP, the aforesaid grants were carried under capital reserve. Under Ind AS, government grants received against depreciable assets shall be credited to the statement of profit and loss over the useful life of the respective assets. The impact as at the date of transition has been adjusted through retained earnings.

(ii) Biological assets

Under the previous GAAP, biological assets were measured at cost. Ind AS requires all biological assets to be measured on each reporting date at their respective fair values with the fair value changes being recognised in the statement of profit and loss. The impact as at the date of transition has been adjusted through retained earnings.

(iii) Investments

Under the previous GAAP, investments in mutual funds were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

(iv) Deferred tax

The deferred tax impact of the above Ind AS adjustments has been considered based on the tax laws.

(v) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, net of its tax impact and foreign currency translation adjustments. The concept of other comprehensive income did not exist under previous GAAP.

(vi) Sale of goods

Under previous GAAP, scheme based discounts and rebates were grouped under other expenses, however, under Ind AS, these expenses are netted off against sale of goods. There is no impact on the profit or retained earnings of the Group.

(vii) Prepaid operating lease rent

Under the previous GAAP, land was specifically scoped out from the scope of AS 19 Leases, hence leasehold land was grouped under plant, property and equipment and the respective amortisation charge was disclosed as depreciation charge in the statement of profit or loss. There is no such exclusion under Ind AS 17, hence the Group has reclassified leasehold land from plant, property and equipment to prepaid rent, with a corresponding amortisation charge debited to rent expense.

Note 54 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

	As at and for the year ended 31 March 2018							
Name of the Entity	**Net assets (i.e. total assets minus total liabilities)**		**Share in profit or (loss)**		**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	100.91%	3,428.40	93.62%	508.69	122.20%	15.30	94.27%	523.99
Subsidiary								
Dodla Holdings Pte Limited	11.10%	377.10	12.01%	65.23	-	-	11.73%	65.23
Non-controlling interest	-	-	-0.06%	(0.32)	-	-	(0.00)	(0.32)
Associate								
Global VetMed Concepts Private Limited**	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-12.01%	(407.91)	-5.57%	(30.25)	-22.20%	(2.78)	-5.94%	(33.03)
Total	**100.00%**	**3,397.59**	**100.00%**	**543.35**	**100.00%**	**12.52**	**100.00%**	**555.87**

	As at and for the year ended 31 March 2017							
Name of the Entity	**Net assets (i.e. total assets minus total liabilities)**		**Share in profit or (loss)**		**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	102.22%	2,903.81	99.09%	461.08	7.61%	(2.70)	106.64%	458.38
Subsidiary								
Dodla Holdings Pte Limited	12.14%	344.82	0.91%	4.23	-	-	0.98%	4.23
Associate								
Global VetMed Concepts Private Limited**	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-14.36%	(407.83)	0.00%	(0.00)	92.39%	(32.77)	-7.62%	(32.77)
Total	**100.00%**	**2,840.80**	**100.00%**	**465.31**	**100.00%**	**(35.47)**	**100.00%**	**429.84**

	As at and for the year ended 31 March 2016 Proforma							
Name of the Entity	**Net assets (i.e. total assets minus total liabilities)**		**Share in profit or (loss)**		**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	101.43%	2,445.43	97.03%	512.61	11.76%	(1.80)	99.57%	510.81
Subsidiary								
Dodla Holdings Pte Limited	12.68%	305.59	2.97%	15.70	-	-	3.06%	15.70
Associate								
Global VetMed Concepts Private Limited**	-	-	-	-	-	-	0.00%	-
Adjustment arising out of consolidation	-14.11%	(340.06)	-	-	88.24%	(13.50)	-2.63%	(13.50)
Total	**100.00%**	**2,410.96**	**100.00%**	**528.31**	**100.00%**	**(15.30)**	**100.00%**	**513.01**

Note 54 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements (continued):

	As at and for the year ended 31 March 2015							
Name of the Entity	**Net assets (i.e. total assets minus total liabilities)**		**Share in profit or (loss)**		**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	101.84%	2,033.16	110.14%	124.77	-4.44%	1.07	141.13%	125.84
Subsidiary								
Dodla Holdings Pte Limited	13.14%	262.35	-10.38%	(11.76)	-	-	-13.19%	(11.76)
Associate								
Global VetMed Concepts Private Limited**	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-14.98%	(299.02)	0.24%	0.27	104.44%	(25.18)	-27.94%	(24.91)
Total	**100.00%**	**1,996.49**	**100.00%**	**113.28**	**100.00%**	**(24.11)**	**100.00%**	**89.17**

	As at and for the year ended 31 March 2014 Proforma							
Name of the Entity	**Net assets (i.e. total assets minus total liabilities)**		**Share in profit or (loss)**		**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	100.00%	1,907.32	100.00%	253.45	100.00%	1.03	100.00%	254.48
Subsidiary								
Dodla Singapore Pte. Limited	-*	-*	-	-	-	-	-	-
Associate								
Abyssinia Bharat Food Parks PLC	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	-*	-*	-	-	-	-	-	-
Total	**100.00%**	**1,907.32**	**100.00%**	**253.45**	**100.00%**	**1.03**	**100.00%**	**254.48**

* Below rounding off norm adopted by the company. The actual amount in ₹ terms is ₹ 61.

**The group has not recognised any share of losses of the associate as it exceeds the carrying amount of the investment.

Note 55: During the year ended 31 March 2018 no material foreseeable loss (year ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 : Nil) was incurred for any long-term contract including derivative contracts.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy *Chairman* DIN: 00520448	**D. Sunil Reddy** *Managing Director* DIN: 00794889	**B.V.K. Reddy** *Chief Executive Officer*
Place: Hyderabad Date: 17 July 2018	**Hemanth Kundavaram** *Chief Financial Officer* M. No. 216189 (FCA)	**Ruchita Malpani** *Company Secretary* M. No. A32883

Dodla Dairy Limited

Annexure VIII: Restated statement of other income

(₹ in million)

Particulars	Nature (Recurring/ Non-recurring)	For the Year ended				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Interest income						
- on deposits	Recurring	0.03	0.02	0.19	0.92	9.51
- on others	Recurring	3.28	3.44	2.76	4.24	6.75
Amortisation of government grants	Recurring	4.32	1.88	1.30	0.22	0.22
Changes in fair value of biological assets	Recurring	9.82	8.95	8.39	6.25	1.68
Fair value gain on financial assets measured at fair value through profit and loss	Recurring	32.51	26.83	11.57	27.99	16.23
Dividend income from investment in mutual funds	Recurring	3.90	19.56	23.03	29.49	14.12
Profit on sale of investments in mutual funds, net	Recurring	0.82	3.73	1.94	5.15	1.38
Profit on sale of investment in associate	Non-recurring	-	-	-	0.55	-
Gain on account of foreign exchange fluctuations, net	Recurring	1.43	1.95	5.44	3.41	3.51
Other non-operating income	Recurring	9.27	6.90	5.44	6.47	15.81
Total other income*		**65.38**	**73.26**	**60.06**	**84.69**	**69.21**

* Not related to normal business activity.

Annexure IX - Restated statement of dividend paid *(All amounts and number of shares in ₹ millions, except per share data)*

Particulars	For the year ended				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Number of fully paid equity shares	3.27	3.27	3.27	3.27	3.27
Equity share capital	32.75	32.75	32.75	32.75	32.75
Face value (₹)	10	10	10	10	10
Rate of dividend %	-	-	250%	-	-
Amount of interim dividend paid	-	-	81.87	-	-
Dividend distribution tax	-	-	16.67	-	-

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to consolidated audited financial statements in Annexure V and notes to the Restated Consolidated Financial Information in Annexure VII.

Annexure X - Restated statement of capitalisation

(₹ in million)

Particulars	As at 31 March 2018	Post issue (refer note 3 below)
Debt:		
Long term borrowings	222.50	
Short term borrowings	943.13	
Current portion of secured long term borrowings, included in other financial liabilities	92.50	
Total Debt (A)	**1,258.13**	
Shareholders Funds:		
Equity share capital	32.75	
Other equity		
Capital redemption reserve	12.00	
Securities premium	1,092.25	
Foreign currency translation reserve	(74.23)	
Retained earnings	2,334.22	
Share options outstanding account	0.60	
Total Shareholders Funds (B)	**3,397.59**	
Total Debt/ Shareholder Funds (A/B)	**0.37**	

Note 1 : The Board of Directors of the Holding Company in their meeting held on 13 July 2018 have proposed for the issuance of Bonus shares in the ratio of 16:1 to the existing shareholders of the Holding Company. The proposal of the Board of Directors was approved by the Shareholders of the Holding Company in their Annual General Meeting held on 17 July 2018. The effect of post balance sheet adjustment has not been considered above.

Note 2 : To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to consolidated audited financial statements in Annexure V and notes to the Restated Consolidated Financial Information in Annexure VII.

Note 3 : The corresponding post issue capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Dodla Dairy Limited

Annexure XI - Restated Statement of Accounting Ratios

(All amounts and number of shares in ₹ millions, except per share data)

Particulars	For the year ended				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Net worth as at the year end (refer note 4 below) (A)	3,397.59	2,840.80	2,410.96	1,996.49	1,907.32
Profit attributable to the equity shareholders (B)	543.35	465.31	528.31	113.28	253.45
Weighted average number of basic equity shares outstanding during the period					
For basic earnings per share (C)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
For diluted earnings per share (D)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
Earning per share ₹ 10 each (refer note 3 below)					
Basic (₹) (E = B/C)	165.92	142.09	161.33	34.59	77.39
Diluted (₹) (F = B/D)	165.92	142.09	161.33	34.59	77.39
Return on net worth (%) (G = B/A)	15.99%	16.38%	21.91%	5.67%	13.29%
Number of equity shares outstanding at the end of the year (H)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
Net assets value per share of ₹ 10 each (I = A/H)	1,037.49	867.47	736.21	609.65	582.42
Face value (₹)	10	10	10	10	10

Notes:

1. The above ratios are calculated as under:

a) Basic earnings per share = Profit attributable to the equity shareholders / weighted average number of shares outstanding during the year.

b) Diluted earnings per share = Profit attributable to the equity shareholders / weighted average number of diluted potential shares outstanding during the year.

c) Return on net worth (%) = Profit attributable to the equity shareholders / net worth as at the end of year.

d) Net asset value (Rs) = Net worth as at the end of year / number of equity shares as at the end of year.

2. The figures disclosed above are based on the Restated Consolidated Financial Information of Dodla Dairy Limited.

3. Earning per shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per share" prescribed by the Companies (Indian Accounting Standards) Rules, 2015.

4. Net worth for ratios mentioned above represents the aggregate of the paid up share capital and other equity (including capital redemption reserve, securities premium, general reserve, share option outstanding account and retained earnings).

5. Proforma accounting ratio disclosure:

The Board of Directors of the Company in their meeting held on 13 July 2018 have proposed for the issuance of Bonus shares in the ratio of 16:1 to the existing shareholders of the Company. The proposal of the Board of Directors was approved by the shareholders of the Company in their Annual General Meeting held on 17 July 2018.

The impact of the above post balance sheet adjustment to equity share capital on the accounting ratios has been provided below:

Computation of proforma equity shares:

Particulars	No. of equity shares
Number of equity shares outstanding as on 31 March 2018	3,274,823
Add: Bonus equity shares issued in the ratio of 16:1 to the existing shareholders	52,397,168
Proforma number of basic and diluted equity shares outstanding after impacting the above post balance sheet adjustment (J)	**55,671,991**

Particulars	For the year ended				
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Proforma net assets value per share of ₹ 10 each based on the equity shares outstanding, after impacting the post balance sheet adjustment (₹) (K = A/J)	61.03	51.03	43.31	35.86	34.26
Proforma basic earnings per share of ₹ 10 each, after impacting the post balance sheet adjustment (₹) (L = B/J)	9.76	8.36	9.49	2.03	4.55
Proforma diluted earnings per share of ₹ 10 each, after impacting the post balance sheet adjustment (₹) (M = B/J)	9.76	8.36	9.49	2.03	4.55

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to consolidated audited financials in Annexure V and notes to the Restated Consolidated Financial Information in Annexure VII.

Examination Report on Restated Standalone Financial Information in connection with Draft Red Herring Prospectus

The Board of Directors
Dodla Dairy Limited
8-2-293/82/A, Plot No - 270/Q, Road No 10-C,
Venkatagiri, Jubilee Hills,
Hyderabad, Telangana

Dear Sirs,

1) We have examined the attached Restated Standalone Financial Information (initialed by us for identification purpose) of Dodla Dairy Limited (the "Company"), which comprise of the Restated Standalone Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Cash Flows and the Restated Standalone Statement of Changes in Equity for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, and the significant accounting policies, read together with the annexures and notes thereto and other restated standalone financial information explained in paragraph 7 below (collectively, the "Restated Standalone Financial Information"), for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of Equity shares by way of fresh issue and an offer for sale by certain of its existing shareholders. The Restated Standalone Financial Information have been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").

2) The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and ICDR Regulations.

3) We have examined such Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 04 May 2018 in connection with the proposed IPO of the Company; and

   b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("the Guidance Note").

4) The Restated Standalone Financial Information have been compiled by the Management as follows:

   a) As at and for the years ended 31 March 2018 and 31 March 2017: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2018 and 31 March 2017 (being comparative period for the financials for the year ended 31 March 2018), prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors on 13 July 2018.

   b) As at and for the year ended 31 March 2016 and 31 March 2015: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2016 and 31 March 2015, prepared in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act. These standalone financial statement as at and for the year ended 31 March 2016 and 31 March 2015 have been approved by the Board of Directors on 10 August 2016 and 7 September 2015, respectively and have been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016.

   c) As at and for the year ended 31 March 2014: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2014, prepared in accordance with the Accounting Standards as prescribed in Companies (Accounting Standards) Rules, 2006, issued by the Central Government, and the relevant provisions of the Companies Act, 1956. The standalone financial statements as at and for the year ended 31 March 2014 have also been prepared in accordance with the relevant provisions of the companies Act, 2013 notified and to the extent applicable for the year ended 31 March 2014. This standalone financial statement has been approved by the Board of Directors on 6 September 2014 and has been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016.

   The Restated Standalone Financial Information mentioned in the 4(b) and 4(c) above, as at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Standalone Financial Information" as per the Guidance Note.

5) The audit of the Company's standalone financial statements for the year ended 31 March 2018 was conducted by us, B S R & Associates LLP.

The audit of the Company's standalone financial statements for each of the year ended 31 March 2017, 31 March 2016 and 31 March 2015 was jointly conducted by B S R & Associates LLP along with A. Ramachandra Rao & Co and accordingly reliance has been placed on the financials information examined jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co for the said years. The financial report included for these years, i.e. 31 March 2017, 31 March 2016 and 31 March 2015 are based solely on the Reports submitted by B S R & Associates LLP jointly with A. Ramachandra Rao & Co. Further, B S R & Associates LLP along with A. Ramachandra Rao & Co. have also confirmed that the Restated Standalone Financial Information for each of the year ended 31 March 2017, 31 March 2016 and 31 March 2015:

a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c) do not contain any exceptional items that need to be disclosed separately in the Restated Standalone Financial Information and do not contain any qualifications requiring adjustments.

Further the audit of the Company's standalone financial statements for the year ended 31 March 2014 was conducted jointly by B S R R & Co, Chartered Accountants (one of the other member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India (ICAI) as on the date of issuance of audit report, now ceased to be a firm of Chartered Accountants), along with A. Ramachandra Rao & Co, Chartered Accountants, whose Report has been furnished to us and our opinion in so far as it relates to the amounts included in the attached Restated Standalone Financial Information are based solely on the Report submitted by them. We have placed reliance on the financial information examined by A. Ramachandra Rao & Co. for the said year. Further, A. Ramachandra Rao & Co. have confirmed that the Restated Standalone Financial Information for the year ended 31 March 2014:

a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c) do not contain any exceptional items that need to be disclosed separately in the Restated Standalone Financial Information and do not contain any qualifications requiring adjustments.

6) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, read with the ICDR Regulations and the Guidance Note, we report that:

a) The Restated Standalone Statement of Assets and Liabilities of the Company as at 31 March 2017, 31 March 2016 and 31 March 2015 examined and reported jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co.; as at 31 March 2014 examined and reported by A. Ramachandra Rao & Co. and on which reliance has been placed by us; and as at 31 March 2018 examined and reported by us, as set out in **Annexure I** to the Restated Standalone Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in Annexure V to the Restated Standalone Financial Information – Impact of adjustments to standalone audited financial statements.

b) The Restated Standalone Statement of Profit and Loss of the Company for each of the years ended 31 March 2017, 31 March 2016 and 31 March 2015 examined and reported jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co.; for the year ended 31 March 2014 examined and reported by A. Ramachandra Rao & Co. and on which reliance has been placed by us; and for the year ended 31 March 2018 examined and reported by us, as set out in **Annexure II** to the Restated Standalone Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in Annexure V to the Restated Standalone Financial Information – Impact of adjustments to standalone audited financial statements.

c) The Restated Standalone Statement of Changes in Equity of the Company for the year ended 31 March 2018 examined and reported by B S R & Associates LLP; each of the years ended 31 March 2017, 31 March 2016 and 31 March 2015 examined and reported jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co.; and for the year ended 31 March 2014 examined and reported by A. Ramachandra Rao & Co. and on which reliance has been placed by us, as set out in **Annexure III** to the Restated Standalone Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in Annexure V to the Restated Standalone Financial Information – Impact of adjustments to standalone audited financial statements.

d) The Restated Standalone Statement of Cash Flows of the Company for each of the years ended 31 March 2017, 31 March 2016 and 31 March 2015 examined and reported jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co.; for the year ended 31 March 2014 examined and reported by A. Ramachandra Rao & Co. and on which reliance has been placed by us; and for the year ended 31 March 2018 examined and reported by us, as set out in **Annexure IV** to the Restated Standalone Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate and more fully described in Annexure V to the Restated Standalone Financial Information – Impact of adjustments to standalone audited financial statements.

e) Based on the above and according to the information and explanation given to us, and also as per the reliance placed on the reports submitted jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co. and report submitted by A. Ramachandra Rao & Co. as referred to in Para 5 above, we further report that the Restated Standalone Financial Information:

(i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(iii) do not contain any exceptional items that need to be disclosed separately in the Restated Standalone Financial Information and do not contain any qualifications requiring adjustments.

7) We have also examined the following other Restated Standalone Financial Information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors on 13 July 2018, for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. Reliance has also been placed upon the reports submitted jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co in respect of the years ended 31 March 2017, 31 March 2016 and 31 March 2015 and the report submitted by A. Ramachandra Rao & Co in respect of the years ended 31 March 2014, as referred to in Para 5 above:

i. Impact of adjustments to audited standalone financial statements, as enclosed in Annexure V;
ii. Basis of preparation and significant accounting policies as enclosed in Annexure VI;
iii. Notes to the Restated Standalone Financial Information as enclosed in Annexure VII;
iv. Restated statement of details of terms and conditions of the non-current borrowing and current borrowing as at 31 March 2018, as enclosed in Note 21 and 25 of Annexure VII;
v. Restated statement of related parties, related party transactions and related party balances, as enclosed in Note 43 of Annexure VII;
vi. Restated statement of other income, as enclosed in VIII;
vii. Restated statement of dividend paid, as enclosed in Annexure IX;
viii. Restated statement of capitalisation, as enclosed in Annexure X;
ix. Restated statement of accounting ratios, as enclosed in Annexure XI;
x. Restated statement of tax shelter, as enclosed in Annexure XII.

According to the information and explanations given to us, and also as per the reliance placed on the reports submitted jointly by B S R & Associates LLP along with A. Ramachandra Rao & Co. and the report submitted by A. Ramachandra Rao & Co. as referred to in Para 5 above, in our opinion, the Restated Standalone Financial Information of the Company as at and for the year ended 31 March 2018 and 31 March 2017, including the above mentioned other Restated Standalone Financial Information contained in Annexures I to XII, read with the significant accounting policies disclosed in Annexure VI, are prepared after making adjustments and regroupings as considered appropriate as disclosed in Annexure V and the Proforma Ind AS Restated Standalone Financial Information of the Company as at and the for the years ended 31 March 2016, 31 March 2015 and 31 March 2014, contained in Annexures I to XII, read with the significant accounting policies disclosed in Annexure VI, are prepared after making adjustments and regroupings as considered appropriate (including Proforma Ind AS adjustments) as disclosed in Annexure V and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with the ICDR Regulations and the Guidance Note.

8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the standalone financial statements referred to herein.

9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10) Our report is intended solely for use of the Management for inclusion in the DRHP to be filed with Securities and Exchange Board of India and Bombay stock exchange and National stock exchange, where the equity shares are proposed to be listed and Registrar of Companies, Hyderabad, Andhra Pradesh & Telangana in connection with the proposed issue of Equity Shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: Hyderabad
Date: 17 July 2018

Dodla Dairy Limited

Annexure I

Restated Standalone Statement of Assets and Liabilities *(₹ in million)*

	Note No. to Annexure VII	As at 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
ASSETS						
Non-current assets						
Property, plant and equipment	4	2,937.77	2,315.19	1,585.54	1,244.20	745.06
Capital work-in-progress	4	150.10	298.82	351.66	35.67	187.36
Intangible assets	5	6.07	2.83	1.78	1.90	2.45
Biological assets other than bearer plants						
Matured biological assets	6	20.34	17.68	12.89	5.52	-
Immatured biological assets	6	7.65	5.87	5.35	7.94	4.33
Financial assets						
Investments	7	478.94	407.84	340.07	274.11	1.63
Loans	8	147.07	205.93	38.22	32.73	28.42
Other financial assets	9	-	0.50	-	-	-
Income tax assets	29	38.52	38.52	38.52	-	10.59
Other non-current assets	10	81.04	136.68	331.11	234.12	251.07
Total non-current assets		**3,867.50**	**3,429.86**	**2,705.14**	**1,836.19**	**1,230.91**
Current assets						
Inventories	11	1,295.79	828.18	891.49	1,416.66	482.48
Financial assets						
Investments	12	598.49	683.54	637.10	609.72	925.60
Trade receivables	13	19.35	5.26	5.07	11.52	6.49
Loans	14	67.00	12.50	12.50	-	-
Cash and cash equivalents	15 (a)	110.98	69.37	91.85	110.24	428.12
Bank balances other than above	15 (b)	0.70	-	-	2.41	-
Derivatives	16	-	4.88	11.28	11.27	12.07
Other financial assets	17	1.63	1.39	1.30	25.58	73.43
Other current assets	18	46.00	273.26	27.30	55.49	78.60
Total current assets		**2,139.94**	**1,878.38**	**1,677.89**	**2,242.89**	**2,006.79**
Total assets		**6,007.44**	**5,308.24**	**4,383.03**	**4,079.08**	**3,237.70**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	19	32.75	32.75	32.75	32.75	32.75
Other equity	20	3,395.65	2,871.06	2,412.68	2,000.41	1,874.57
Total equity		**3,428.40**	**2,903.81**	**2,445.43**	**2,033.16**	**1,907.32**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	21	222.50	315.00	323.79	80.92	126.82
Deferred tax liabilities (net)	22	208.52	130.75	91.62	99.73	89.38
Government grants	23	34.52	14.46	15.91	3.45	3.67
Provisions	24	68.88	88.67	52.94	38.97	18.44
Total non-current liabilities		**534.42**	**548.88**	**484.26**	**223.07**	**238.31**
Current liabilities						
Financial liabilities						
Borrowings	25	943.13	968.37	707.27	1,132.15	390.14
Trade payables	26	592.52	486.38	423.53	427.37	311.55
Other financial liabilities	27	314.72	239.26	182.37	122.92	292.46
Government grants	23	2.86	1.46	1.46	0.22	0.22
Provisions	28	16.15	8.38	5.59	4.34	2.41
Current tax liabilities	29	131.41	111.02	99.22	116.70	77.45
Other current liabilities	30	43.83	40.68	33.90	19.15	17.84
Total current liabilities		**2,044.62**	**1,855.55**	**1,453.34**	**1,822.85**	**1,092.07**
Total liabilities		**2,579.04**	**2,404.43**	**1,937.60**	**2,045.92**	**1,330.38**
Total equity and liabilities		**6,007.44**	**5,308.24**	**4,383.03**	**4,079.08**	**3,237.70**

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to standalone audited financial statements in Annexure V and notes to the Restated Standalone Financial Information in Annexure VII.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 17 July 2018

Hemanth Kundavaram
Chief Financial Officer
M. No. 216189 (FCA)

Ruchita Malpani
Company Secretary
M. No. A32883

Annexure II

Restated Standalone Statement of Profit and Loss *(₹ in million)*

	Note No. to Annexure VII	For the year ended 31 March				
		2018	**2017**	**2016 Proforma**	**2015 Proforma**	**2014 Proforma**
Revenue from operations	31	15,372.67	14,099.84	11,815.64	10,183.37	8,419.19
Other income	32	63.50	71.45	55.93	81.17	69.21
Total income		**15,436.17**	**14,171.29**	**11,871.57**	**10,264.54**	**8,488.40**
Expenses						
Cost of materials consumed	33	12,407.11	10,976.15	8,813.28	9,255.42	6,345.07
Purchases of stock-in-trade		-	-	27.46	26.62	2.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(417.14)	199.11	289.88	(883.35)	479.73
Employee benefits expense	35	613.13	522.03	461.16	347.63	268.50
Depreciation and amortisation expense	36	252.79	177.50	150.53	113.89	47.97
Finance costs	37	99.70	78.04	108.17	82.78	36.71
Other expenses	38	1,725.03	1,534.19	1,273.39	1,133.00	917.87
Total expenses		**14,680.62**	**13,487.02**	**11,123.87**	**10,075.99**	**8,098.01**
Profit before tax		**755.55**	**684.27**	**747.70**	**188.55**	**390.39**
Income tax expense						
-Current tax	39	177.19	182.63	242.25	54.00	127.54
-Deferred tax	39	69.67	40.56	(7.16)	9.78	9.40
Total tax expense		**246.86**	**223.19**	**235.09**	**63.78**	**136.94**
Profit for the year (A)		**508.69**	**461.08**	**512.61**	**124.77**	**253.45**
Other comprehensive income						
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		23.40	(4.13)	(2.75)	1.64	1.58
Income tax relating to these items	39	(8.10)	1.43	0.95	(0.57)	(0.55)
Other comprehensive income for the year (B)		**15.30**	**(2.70)**	**(1.80)**	**1.07**	**1.03**
Total comprehensive income for the year (A+B)		**523.99**	**458.38**	**510.81**	**125.84**	**254.48**
Earnings per share (nominal value of ₹ 10 each)	42					
Basic [in ₹]		155.33	140.80	156.53	38.10	77.39
Diluted [in ₹]		155.33	140.80	156.53	38.10	77.39
Weighted average number of equity shares used in computing earnings per share:						
-Basic		3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
-Diluted		3,274,823	3,274,823	3,274,823	3,274,823	3,274,823

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to standalone audited financial statements in Annexure V and notes to the Restated Standalone Financial Information in Annexure VII.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 17 July 2018

Hemanth Kundavaram
Chief Financial Officer
M. No. 216189 (FCA)

Ruchita Malpani
Company Secretary
M. No. A32883

Annexure III

Restated Standalone Statement of Changes in Equity *(₹ in million)*

Particulars	Equity share capital	Other equity				Total equity attributable to owners of the Company
		Reserves and surplus				
		Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	
Balance as at 01 April 2013 Proforma	**32.75**	**12.00**	**1,092.25**	**515.84**	**-**	**1,652.84**
Profit for the year	-	-	-	253.45	-	253.45
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	1.03	-	1.03
Balance as at 31 March 2014 Proforma	**32.75**	**12.00**	**1,092.25**	**770.32**	**-**	**1,907.32**

Particulars	Equity share capital	Other equity				Total equity attributable to owners of the Company
		Reserves and surplus				
		Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	
Balance as at 01 April 2014 Proforma	**32.75**	**12.00**	**1,092.25**	**770.32**	**-**	**1,907.32**
Profit for the year	-	-	-	124.77	-	124.77
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	1.07	-	1.07
Balance as at 31 March 2015 Proforma	**32.75**	**12.00**	**1,092.25**	**896.16**	**-**	**2,033.16**

Particulars	Equity share capital	Other equity				Total equity attributable to owners of the Company
		Reserves and surplus				
		Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	
Balance as at 01 April 2015 Proforma	**32.75**	**12.00**	**1,092.25**	**896.16**	**-**	**2,033.16**
Profit for the year	-	-	-	512.61	-	512.61
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(1.80)	-	(1.80)
Interim dividend on equity shares [₹ 25 per share] and dividend distribution tax thereon	-	-	-	(98.54)	-	(98.54)
Balance as at 31 March 2016 Proforma	**32.75**	**12.00**	**1,092.25**	**1,308.43**	**-**	**2,445.43**

Particulars	Equity share capital	Other equity				Total equity attributable to owners of the Company
		Reserves and surplus				
		Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	
Balance as at 01 April 2016	**32.75**	**12.00**	**1,092.25**	**1,308.43**	**-**	**2,445.43**
Profit for the year	-	-	-	461.08	-	461.08
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(2.70)	-	(2.70)
Balance as at 31 March 2017	**32.75**	**12.00**	**1,092.25**	**1,766.81**	**-**	**2,903.81**

Particulars	Equity share capital	Other equity				Total equity attributable to owners of the Company
		Reserves and surplus				
		Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	
Balance as at 01 April 2017	**32.75**	**12.00**	**1,092.25**	**1,766.81**	**-**	**2,903.81**
Profit for the year	-	-	-	508.69	-	508.69
Employee share based payment expense	-	-	-	-	0.60	0.60
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	15.30	-	15.30
Balance as at 31 March 2018	**32.75**	**12.00**	**1,092.25**	**2,290.80**	**0.60**	**3,428.40**

Note 1: The Board of Directors of the Company in their meeting held on 13 July 2018 have proposed for the issuance of Bonus shares in the ratio of 16:1 to the existing shareholders of the Company. The proposal of the Board of Directors was approved by the Shareholders of the Company in their Annual General Meeting held on 17 July 2018.

Note 2: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to standalone audited financial statements in Annexure V and notes to the Restated Standalone Financial Information in Annexure VII.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy
Chairman
DIN: 00520448

D. Sunil Reddy
Managing Director
DIN: 00794889

B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 17 July 2018

Hemanth Kundavaram
Chief Financial Officer
M. No. 216189 (FCA)

Ruchita Malpani
Company Secretary
M. No. A32883

Dodla Dairy Limited

Annexure IV
Restated Standalone Statement of Cash Flows *(₹ in million)*

Particulars	For the year ended 31 March				
	2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Cash flows from operating activities					
Profit before tax	755.55	684.27	747.70	188.55	390.39
Adjustments for:					
Depreciation and amortisation expense	252.79	177.50	150.53	113.89	47.97
Gain on fair valuation of biological assets	(9.82)	(8.95)	(8.39)	(6.25)	(1.68)
Net loss on sale/ retirement of property, plant and equipment	4.62	1.83	1.69	0.41	1.20
Net loss on sale/ retirement of biological assets	3.67	2.59	0.71	0.28	-
Interest income	(3.28)	(3.25)	(2.85)	(5.05)	(16.26)
Finance costs	99.70	78.04	108.17	82.78	36.71
Employee share based payment expenses	0.60	-	-	-	-
Dividend income from investment in mutual funds	(3.90)	(19.56)	(23.03)	(29.49)	(14.12)
Net profit on sale of current investments	(0.82)	(3.73)	(1.94)	(5.15)	(1.38)
Profit on sale of investments in associate	-	-	-	(0.55)	-
Fair value gain on financial assets measured at fair value through profit and loss, net	(32.51)	(26.83)	(11.57)	(27.99)	(16.23)
Government grant income	(4.32)	(1.88)	(1.30)	(0.22)	(0.22)
Reversal of provision for doubtful debts	-	-	(17.95)	1.75	-
Provision for other than temporary diminution in the value of non-current investments	-	-	38.67	-	-
Unrealised foreign exchange (gain)/ loss, net	(0.34)	(1.15)	3.73	1.64	(3.53)
	1,061.94	**878.88**	**984.17**	**314.60**	**422.85**
Change in operating assets and liabilities					
(Increase)/ decrease in trade receivables	(14.09)	(0.19)	6.45	(5.03)	9.24
(Increase)/ decrease in inventories	(467.61)	63.31	525.17	(934.18)	273.40
Decrease/ (increase) in loans and other financial assets	1.10	(9.76)	(3.95)	39.15	(57.19)
Decrease/ (increase) in other current and non-current assets	229.66	(251.36)	28.19	(31.89)	7.93
Increase in trade payables and other financial liabilities	160.47	94.49	38.73	129.47	40.51
Increase in employee benefit obligations	11.38	34.39	12.47	24.10	6.55
Increase/ (decrease) in other current and non-current liabilities	3.15	6.78	14.75	1.31	(0.82)
Cash generated from operations	**986.00**	**816.54**	**1,605.98**	**(462.47)**	**702.47**
Income taxes paid, net	(158.13)	(219.06)	(336.67)	(15.50)	(113.44)
Net cash generated from/ (used in) operating activities	**827.87**	**597.48**	**1,269.31**	**(477.97)**	**589.03**
Cash flows from investing activities					
Payments for property, plant and equipment and intangible assets	(668.52)	(738.80)	(869.40)	(441.43)	(559.92)
Proceeds from sale of property, plant and equipment and intangible assets	2.62	1.40	2.46	1.54	3.52
Proceeds from sale of biological assets	1.71	1.05	2.90	0.13	-
Purchase of biological assets	-	-	-	(3.29)	(2.65)
Purchase of shares in subsidiary	-	(67.77)	(65.96)	(274.11)	-
Purchase of shares in associate	-	-	(17.67)	-	-
Proceeds from sale of investment in associate	-	-	-	2.18	-
Redemption of/ (investment in) inter corporate deposit	-	-	-	55.00	(55.00)
Investment made in Dodla Milk Processing Plc - Ethiopia	-	-	-	-	(14.74)
Refund of share application money pending allotment - Dodla Milk Processing Plc - Ethiopia	-	-	12.44	-	-
Purchase of mutual funds	(445.57)	(260.88)	(346.20)	(934.49)	(1,143.12)
Proceeds from sale of mutual funds	492.85	245.00	332.33	1,283.51	1,212.39
Interest/ dividend received	6.94	22.72	25.63	37.18	27.14
Deposits (placed)/ matured (having original maturity of more than three months)	(0.20)	(0.50)	2.41	(2.41)	4.44
Net cash used in investing activities	**(610.17)**	**(797.78)**	**(921.06)**	**(276.19)**	**(527.94)**
Cash flows from financing activities					
Receipt of long term borrowings from banks	-	70.00	300.00	-	205.00
Repayment of long term borrowings to banks	(72.82)	(54.07)	(49.63)	(231.09)	(86.37)
Receipt of government grant	25.78	0.43	15.00	-	-
(Repayment)/ receipt of short term borrowings, net	(250.00)	275.00	(421.50)	381.50	50.00
Dividend paid (including dividend distribution tax)	-	-	(98.54)	-	-
Finance costs paid	(103.81)	(99.64)	(108.59)	(74.64)	(28.92)
Net cash (used in)/ generated from financing activities	**(400.85)**	**191.72**	**(363.26)**	**75.77**	**139.71**
Net (decrease)/ increase in cash and cash equivalents	**(183.15)**	**(8.58)**	**(15.01)**	**(678.39)**	**200.80**
Cash and cash equivalents at the beginning of the financial year	(274.00)	(265.42)	(250.41)	427.98	227.18
Cash and cash equivalents at end of the year	**(457.15)**	**(274.00)**	**(265.42)**	**(250.41)**	**427.98**

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

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Cash on hand	14.46	18.54	12.80	12.39	44.82
Balances with banks					
-in current accounts	46.52	50.83	79.05	97.85	310.18
-in deposit accounts (with original maturity of less than three months)	50.00	-	-	-	73.12
Cash credit and overdraft balances	(568.13)	(343.37)	(357.27)	(360.65)	(0.14)
Balances as per statement of cash flows	**(457.15)**	**(274.00)**	**(265.42)**	**(250.41)**	**427.98**

Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to standalone audited financial statements in Annexure V and notes to the Restated Standalone Financial Information in Annexure VII.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

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Managing Director
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B.V.K. Reddy
Chief Executive Officer

Place: Hyderabad
Date: 17 July 2018

Hemanth Kundavaram
Chief Financial Officer
M. No. 216189 (FCA)

Ruchita Malpani
Company Secretary
M. No. A32883

Dodla Dairy Limited

Annexure V - Impact of adjustments to standalone audited financial statements

i. Material restatement adjustments and Proforma Ind AS adjustments

Summarised below are the restatement adjustments made to the audited financial statements for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and their impact on the profit of the Company:

(₹ in million)

Particulars	Note No. of iii below	For the year ended 31 March				
		2018	2017	2016 Proforma	2015 Proforma	2014 Proforma
Net profit after tax as per audited financial statements prepared under previous GAAP		**Not Applicable ***	**Not Applicable ***	**355.76**	**153.36**	**275.72**
Proforma Ind AS adjustments						
Government grants recognised as deferred income	a			1.08	-	-
Changes in fair value of biological assets	b			(0.12)	0.21	(0.09)
Investment in mutual funds recognised at fair value	c			(10.19)	14.22	1.50
Deferred tax on above adjustment	d			8.40	(5.00)	(0.49)
Remeasurement of the net defined benefit obligation recognised in other comprehensive income	e			1.80	(1.07)	(1.03)
Total impact of Ind AS adjustments		**Not Applicable ***	**Not Applicable ***	**0.97**	**8.36**	**(0.11)**
Other comprehensive income net of taxes	e	Not applicable*	Not applicable*	(1.80)	1.07	1.03
Net Profit after tax as per Ind AS		**520.95**	**456.13**	**354.93**	**162.79**	**276.64**
Material adjustments on account of restatement						
MAT credit written off	g	-	-	41.21	(41.21)	-
Depreciation and amortisation	f	-	-	-	12.72	(1.28)
Deferred tax charge in respect of earlier years	g	-	-	3.51	(1.25)	(0.71)
Current tax for earlier years	g	-	-	97.54	(4.98)	(29.33)
Interest on income tax	h	3.04	2.25	13.62	(7.20)	(6.63)
Provision for doubtful advances	i	-	-	-	14.33	23.48
Total		**3.04**	**2.25**	**155.88**	**(27.59)**	**(14.47)**
Deferred tax impact on material adjustments on account of restatement	j	-	-	-	(9.36)	(7.69)
Total impact of the adjustments		**3.04**	**2.25**	**155.88**	**(36.95)**	**(22.16)**
Net profit after tax as restated		**523.99**	**458.38**	**510.81**	**125.84**	**254.48**

Note: To be read together with summary of significant accounting policies in Annexure VI and notes to the restated consolidated financial information in Annexure VII.

*The financial statements of the Company as at and for the years ended 31 March 2018 and 31 March 2017 (being the comparative period for the year ended 31 March 2018) 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 Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Hence, proforma Ind AS adjustments are not applicable for the financial years ended 31 March 2018 and 31 March 2017.

ii Material restatement adjustments and Proforma Ind AS adjustments made in the audited opening balance of total equity as at 1 April 2013

(₹ in million)

Particulars	Note No. of iii below	As at 01 April 2013 Proforma
Total equity as per previous GAAP		**1,740.66**
Proforma Ind AS adjustments		
Investment in mutual funds recognised at fair value	c	21.78
Deferred tax on above adjustment	d	(7.54)
Total impact of Ind AS adjustments		**14.24**
Material adjustments on account of restatement		
Depreciation and amortisation	f	(11.44)
Deferred tax charge in respect of earlier years	g	(1.55)
Current tax for earlier years	g	(63.23)
Interest on income tax	h	(5.08)
Provision for doubtful advances	i	(37.81)
Total		**(119.11)**
Deferred tax impact on material adjustments on account of restatement	j	17.05
Total impact of the adjustments		**(87.82)**
Total equity as restated		**1,652.84**

Figures in brackets represent decrease in total equity.

(iii) Proforma Ind AS adjustments and other material adjustments on account of restatement

a. Government grants

The Company has received government grants against the capital expenditure incurred. Under the previous GAAP, the aforesaid grants were carried under capital reserve. Under Ind AS, government grants received against depreciable assets shall be credited to the statement of profit and loss over the useful life of the respective assets. The impact as at the date of transition has been adjusted through retained earnings.

b. Biological assets

Under the previous GAAP, biological assets were measured at cost. Ind AS requires all biological assets to be measured on each reporting date at their respective fair values with the fair value changes being recognised in the statement of profit and loss. The impact as at the date of transition has been adjusted through retained earnings.

c. Investments

Under the previous GAAP, investments in mutual funds were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

d. Deferred tax

The deferred tax impact of the above Ind AS adjustments has been considered based on the tax laws.

e. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, net of its tax impact. The concept of other comprehensive income did not exist under previous GAAP.

f. Depreciation and amortisation

The carrying amount of fixed assets whose useful life as on 1 April 2014 had been completed as per Schedule II to the Companies Act 2013 was adjusted in the statement of profit and loss for the year ended 31 March 2015. Depreciation as per the transitional provision, has been adjusted to the respective years to effect the difference in the useful life.

g. Deferred tax and current tax - pertaining to earlier years and reversal of MAT credit

Based on assessment by Income-tax authorities for certain years, the Company has accounted tax for earlier years. As these were relating to earlier years, the same has been accounted for in the financial year to which the amount relates to. Tax to the extent pertaining to the period before 31 March 2013 has been adjusted to the opening reserves as at 1 April 2013. Similarly, the MAT credit reversed in the subsequent year has been adjusted in the year in which the MAT credit was recognised.

h. Interest on income tax

Based on assessment by Income-tax authorities for certain years, the Company has computed and accounted interest for earlier years pertaining to the tax for earlier years as stated in note g above. As these were relating to earlier years, the same has been accounted for in the financial year to which the amount relates to.

i. Provision for doubtful advances

Provision for doubtful advances given to Global VetMed Concepts Private Limited were adjusted in arriving at the profits for the years in which advances were given irrespective of the year in which the event triggering the profit or loss has occurred.

j. Deferred tax impact on adjustments

The deferred tax impact of the aforesaid adjustments has been considered based on the tax laws.

Annexure V - Impact of adjustments to audited standalone financial statements (continued)

(iv) Non-adjusting items

In addition to the audit opinion on the standalone financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003 ("the CARO 2003 Order") issued by the Central Government of India under sub-section (4A) of Section 227 of Companies Act, 1956, on the standalone financial statements of the Company as at and for the financial year ended 31 March 2014, Companies (Auditor's Report) Order, 2015 ("the CARO 2015 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the standalone financial statements of the Company as at and for the financial years ended 31 March 2015 and the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the standalone financial statements of the Company as at and for the financial years ended 31 March 2016, 31 March 2017 and 31 March 2018 respectively. Certain statements/ comments included in audit opinion on the standalone financial statements, the CARO 2003 Order, the CARO 2015 Order and the CARO 2016 Order which do not require any adjustments in the Restated Standalone Financial Information are reproduced below in respect of the financial statements presented.

Financial Year: 2013-14

Basis for Qualified Opinion in Independent Auditor's Report

a) During the year 2013-14, the Company purchased raw materials from Global VetMed Concepts Private Limited (GVC) amounting to ₹ 0.62 million and sold goods to GVC amounting to ₹ 7.58 million in which Mr. D. Sunil Reddy, Managing Director is a Director. The said transactions were covered under Section 297 of the Companies Act, 1956 and in respect of which prior approval of the Central Government, as envisaged under that section, has not been obtained.

b) During the period from 1 April 2013 to 11 September 2013, the Company has given loans aggregating ₹ 47.13 million and recovered an amount of ₹ 34.13 million from Dodla Engineering (Partnership Firm) in which Mr. D. Sunil Reddy, Managing Director and Mr. D. Sesha Reddy, Chairman are partners. Such loans are covered under Section 295 of the Companies Act, 1956 and in respect of which prior approval of the Central Government, as envisaged under that section, has not been obtained. Further in respect of the said loan, the Company further paid an amount of ₹ 13.00 million during the period 12 September 2013 to 31 March 2014. The loan was fully recovered by 31 March 2014. According to the sub-section 1 of the Section 185 of the Companies Act, 2013, which was applicable from 12 September 2013, no Company shall give any loan to parties in which Directors are interested.

CARO 2003 Order

We have made the following comments in terms with the requirements of the CARO 2003 Order as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section 4A of Section 127 of the Companies Act, 1956 of India for financial year 2013-14;

Clause (vii)

The Company does not have an internal audit system.

Clause (ix) (a) and (b)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in a few cases, amounts deducted/ accrued in the books of account in respect of undisputed dues pertaining to Provident fund, Income tax, Sales tax and Professional tax have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases. As explained to us, the Company did not have any dues on account of Investor Education and Protection fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Employees' State Insurance, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable except for an amount of ₹ 2.61 million due towards Sales tax and ₹ 0.03 million due towards Provident fund which have been outstanding for more than six months.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Service tax, Customs duty, Excise duty and Wealth tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income tax as at 31 March 2014 have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount in ₹ million	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax and interest thereon	1.68	AY 2008-09	Deputy Commissioner of Income Tax Hyderabad Circle 1(2)

Financial Year: 2014-15

Basis for Qualified Opinion in Independent Auditor's Report

a) During the period from 1 April 2013 to 11 September 2013, the Company has given loans aggregating ₹ 47.13 million and recovered an amount of ₹ 34.13 million from Dodla Engineering (Partnership Firm) in which Mr. D. Sunil Reddy, Managing Director and Mr. D. Sesha Reddy, Chairman are partners. Such loans are covered under Section 295 of the Companies Act, 1956 and in respect of which prior approval of the Central Government, as envisaged under that section, has not been obtained. Further in respect of the said loan, the Company further paid an amount of ₹ 127.00 million during the period 12 September 2013 to 31 March 2015. The loan was fully recovered by 31 March 2015. According to sub-section 1 of Section 185 of the Companies Act, 2013, which was applicable from 12 September 2013, no Company shall give any loan to parties in which Directors are interested.

CARO 2015 Order

We have made the following comments in terms with the requirements of the CARO 2015 Order, issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies Act, 2013 of India for financial year 2014-15.

Clause (iv)

In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services, except that, the internal control system for purchase of fixed assets with respect to documenting the justification for not obtaining alternative quotations needs to be strengthened further. In our opinion, there is continuing failure to correct a major weakness in the internal control system with regard to purchase of fixed assets.

Clause (vii) (a) and (b)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable except for an amount of ₹ 2.61 million due towards Sales tax which has been outstanding for more than 6 months.

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

Name of the statute	Nature of dues	Amount in ₹ million*	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax and interest thereon	1.68 (0.69)	AY 2008-09	Deputy Commissioner of Income Tax Hyderabad Circle 1(2)
Income-tax Act, 1961	Income tax and interest thereon	30.37	AY 2012-13	Commissioner of Income Tax (Appeals) V

* Amount in parenthesis represents amount paid under protest.

Dodla Dairy Limited

Annexure V - Impact of adjustments to audited standalone financial statements (continued)

Financial Year: 2015-16

CARO 2016 Order

We have made the following comments in terms with the requirements of the CARO 2016 Order, issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies Act, 2013 of India for financial year 2015-16

Clause (vii) (a) and (b)

(a) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable except for an amount of ₹ 2.61 million due towards Sales tax which has been outstanding for more than 6 months.

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

Name of the statute	Nature of dues	Amount in ₹ million*	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax and interest thereon	1.68 (0.69)	AY 2008-09	Deputy Commissioner of Income Tax Hyderabad Circle 1(2)
Income-tax Act, 1961	Income tax and interest thereon	30.37 (30.32)	AY 2012-13	Commissioner of Income Tax (Appeals) V
Customs Act, 1962	Customs duty	2.90	FY 2015-16	Additional Commissioner of Customs (Imports)

* Amounts in parenthesis represents amounts paid under protest.

Financial Year: 2016-17

Reporting under section 143(3) of the Companies Act, 2013 - Clause (a), (b), (e) and (h)(iv)

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except as discussed under para (iv) of clause para (iv) of clause (h) below;
b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except as discussed under para (iv) of clause para (iv) of clause (h) below;
e) the matter described under para (iv) of clause (h) below, in our opinion, may have an adverse effect on the functioning of the Company;
h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. The Management has obtained an opinion from an independent legal counsel and is of the view that the cash collected in specified bank notes in the normal course of the business is covered under the ambit of exemption provided under clause (d) of the notification S.O.3408(E) dated 8 November 2016 issued by the Ministry of Finance, allowing the use of specified bank notes for purchase at milk booths operating under authorisation of the Central or State Governments until 15 December 2016 (originally 11 November 2016, amended by notifications issued from time to time). However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

CARO 2016 Order

We have made the following comments in Standalone Financial Statement in terms with the requirements of the CARO 2016 Order issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies Act, 2013 of India for financial year 2016-17.

Clause (vii) (a) and (b)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in the payment of Provident fund and Income-tax. Employees' state insurance have not generally been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases. As explained to us, the Company did not have any dues on account of Cess.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable, except for an amount of ₹ 2.61 million due towards Sales tax which have been outstanding for more than 6 months.

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

Name of the statute	Nature of dues	Amount in ₹ million*	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax and interest thereon	1.68 (0.68)	AY 2008-09	Deputy Commissioner of Income Tax Hyderabad Circle 1(2)
Income-tax Act, 1961	Income tax and interest thereon	30.37 (30.32)	AY 2012-13	Commissioner of Income Tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	2.87 (2.87)	AY 2010-11	Commissioner of Income Tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	6.42 (6.42)	AY 2011-12	Commissioner of Income Tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	25.36 (25.36)	AY 2013-14	Commissioner of Income Tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	9.25 (9.25)	AY 2014-15	Commissioner of Income Tax (Appeals) V
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	4.09	Financial year 2012-13 and 2013-14	Deputy Commissioner (CT)
Customs Act, 1962	Customs duty	2.90	FY 2015-16	Additional Commissioner of Customs (Imports)

* Amounts in parenthesis represents amounts paid under protest.

Dodla Dairy Limited

Annexure V - Impact of adjustments to audited standalone financial statements (continued)

Financial Year: 2017-18

CARO 2016 Order

We have made the following comments in terms with the requirements of the CARO 2016 Order issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies Act, 2013 of India for financial year 2017-18.

Clause (vii) (a) and (b)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Goods and Service tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities. Income-tax and Professional tax have not generally been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of dues	Amount in ₹ million	Period to which the amount relates	Due date	Paid subsequent to the year end
Tamil Nadu Value Added Tax Act, 2006	Sales tax	2.61	July 2012 to November 2012	20th of the subsequent month	Not paid till date
Income-tax Act, 1961	Tax deducted at source	0.03	April 2017 to August 2017	7th of the subsequent month	22 June 2018
Town Panchayats, Municipalities and Municipal Corporations (Collection of arrears of tax on profession, trade, calling and employment) Rules, - 1998	Professional tax	0.02	October 2016 to September 2017	Last date of the respective half year	Not paid till date

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

Name of the statute	Nature of dues	Amount in ₹ million*	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax and interest thereon	1.68 (0.68)	Assessment year 2008 – 2009	Deputy Commissioner of Income-tax Hyderabad Circle 1(2)
Income-tax Act, 1961	Income tax and interest thereon	2.87 (2.87)	Assessment year 2010 – 2011	Commissioner of Income-tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	6.42 (6.42)	Assessment year 2011 – 2012	Commissioner of Income-tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	30.37 (30.32)	Assessment year 2012 – 2013	Commissioner of Income-tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	25.36 (25.36)	Assessment year 2013 – 2014	Commissioner of Income-tax (Appeals) V
Income-tax Act, 1961	Income tax and interest thereon	9.25 (9.25)	Assessment year 2014 – 2015	Commissioner of Income-tax (Appeals) V
Customs Act, 1962	Custom duty and Penalty thereon	3.79 (0.01)	Financial year 2015-2016	High Court of Karnataka
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	4.09	Financial year 2012-13 and 2013-14	Deputy Commissioner (CT)

* Amounts in parenthesis represents amounts paid under protest.

(v) Regrouping

Figures have been regrouped/ reclassified for the consistency of presentation.

Annexure VI - Basis of preparation and significant accounting policies

1 Reporting entity

Dodla Dairy Limited ('the Company') was incorporated on 15 May 1995. The Registered office of the Company is situated at 8-2-293/82/A/270-Q, Road No. 10-C, Jubilee hills, Hyderabad. The Company is in the business of processing/ production of milk and production of milk products.

2 Basis of preparation

A. Statement of compliance

The Restated Standalone Financial Information of the Company have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Standalone Financial Information consist of the Restated Standalone Summary Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Profit and Loss, the Restated Standalone Summary Statement of Cash Flows and Standalone Summary Statement of Changes in Equity for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Annexures VI to XII thereto (hereinafter collectively referred to as "the Restated Standalone Financial Information").

The Restated Standalone Financial Information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 notified by SEBI on August 26, 2009, as amended from time to time in pursuance to the provisions of Securities and Exchange Board of India Act, 1992 ("the ICDR Regulations"). The Act and the ICDR Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each of the five years immediately preceding the issue of the Prospectus.

These Restated Standalone Financial Information were approved by the Board of Directors of the Company in their meeting held on 17 July 2018.

The Restated Standalone Financial Information of the Company have been prepared and presented under the historical cost convention as follows:

a. As at and for the years ended 31 March 2018 and 31 March 2017: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act and as at and for the year ended 31 March 2017, in accordance with Ind AS being the comparative period for the year ended 31 March 2018, which have been approved by the Board of Directors on 13 July 2018.

b. As at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014, prepared in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, which has been approved by the Board of Directors on 10 August 2016, 07 September 2015 and 26 September 2014 respectively and which have been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the year ended 31 March 2018. The Restated Standalone Financial Information as at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Standalone Financial Information".

For the preparation of Proforma Ind AS financial statements as at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 which were prepared under previously generally accepted accounting principles followed in India (Previous GAAP) and based on the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016, following accounting policies/ restatements were made:

i. Ind AS transition adjustments and accounting policy choices as initially adopted on 1 April 2016 were effected from 1 April 2013 for the preparation of Proforma Ind AS financial information;

ii. Opening balance sheet was restated to recognise all assets and liabilities whose recognition is required by Ind AS;

iii. All mandatory exceptions and optional exemptions available under Ind AS 101 were analysed on case to case basis for the first-time adoption and restatement adjustments were made accordingly. Refer note 51 for the list of mandatory and optional exemptions availed by the Company.

iv. In accordance with Ind AS 101, the Company has opted for optional exemption for not applying retrospectively accounting principles of Ind AS 103 for business combinations that occurred before the transition date (i.e. 1 April 2013) and accordingly not to apply Ind AS 103 for business combinations that have occurred between the period 1 April 2013 and 31 March 2016;

v. In accordance with Ind AS 101, Company has elected to continue with the carrying values under the previous GAAP to measure all the items of property, plant and equipment. Accordingly, the same accounting policy choice has been followed as at 1 April 2013 for the purpose of measuring property plant and equipment.

Therefore, the accounting policies set out elsewhere in this document should be read along with the approach adopted for the preparation of the financial information as set out in (i) to (v) above.

The Restated Standalone Financial Information are prepared by applying uniform accounting policies for similar transactions and other events in similar circumstances across the Company. The accounting policies have been consistently applied by the Company.

The Restated Standalone Financial Information have been prepared so as to contain information/ disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

(a) Adjustments, if any, for audit qualification requiring corrective year adjustment in the financial statements;

(b) Adjustments for the material amounts in respective years to which they relate, if any;

(c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred, if any;

(d) Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;

(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended 31 March 2018 and the requirements of the SEBI Regulations, if any;

(f) The resultant impact of deferred tax due to the aforesaid adjustments, if any.

B. Functional and presentation currency

These Restated Standalone Financial Information are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions with two decimals except for earnings per share details and where not mentioned otherwise.

C. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Biological assets	Fair value less cost to sell
Shared-based payments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

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 38(i) - leases: whether an arrangement contains a lease and lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

- Note 6 - determining the fair value of biological assets on the basis of significant unobservable inputs;
- Note 24 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 40 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3(a) - useful life of property, plant and equipment
- Note 48 - impairment of financial assets
- Note 50 - business combination

Annexure VI - Basis of preparation and significant accounting policies (continued)

2 Basis of preparation (continued)

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, 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 6 - Biological assets other than bearer plants
- Note 48(b) - Financial instruments
- Note 19(e) - 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 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 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 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, duties, 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.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as on 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 51).

iii. 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.

iv. 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	Useful life prescribed under Schedule II
Laboratory equipment	3 years	10 years
Temporary Structures	1 years	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.

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.

v. 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.

Annexure VI - Basis of preparation and significant accounting policies (continued)

3 Significant accounting policies (continued)

(b) Intangible assets

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	**Useful life**
Computer software	3 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see note 51).

(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

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

ii. Non -financial assets

Intangible assets and property, plant and equipment

(a) Intangible assets and property, plant and equipment 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, 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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(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 and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii. Classification and subsequent measurement

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.

Investment in subsidiaries and associates

Investment in subsidiaries and associates is carried at cost in the financial statements.

Annexure VI - Basis of preparation and significant accounting policies (continued)

3 Significant accounting policies (continued)

(g) Financial instruments (continued)

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

Revenue from sale of goods is recognised, when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from the sale of goods and sale of scrap is measured at the fair value of the consideration received or receivable, exclusive of sales tax and net of sales return, trade discounts and volume rebates.

Revenue from service rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the reporting date, based on the terms and conditions of the relevant agreement.

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

Basic Earnings Per Share ('EPS') 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 year, 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. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(j) Business Combination

In accordance with Ind AS 103, the Company accounts for the 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 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 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 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 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 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 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.

Annexure VI - Basis of preparation and significant accounting policies (continued)

3 Significant accounting policies (continued)

(m) Income tax

Income tax 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 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 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 and contingent liabilities

i. General

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.

ii. 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.

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 benefit obligations 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 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 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 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 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 employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

Annexure VI - Basis of preparation and significant accounting policies (continued)

3 Significant accounting policies (continued)

(q) 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 statement. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(r) 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.

(s) Recent accounting pronouncements

Standards issued but not yet effective

On 28 March 2018, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2018:

1. Ind AS 115 - Revenue from Contracts with Customers
2. Ind AS 21 - The effect of changes in Foreign Exchange rates

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 21 – The effect of changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company has completed an initial assessment of the potential impact of the amendment on the financial statements. There is no material impact of adoption of clarification on the financial statements.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information

Note 4: Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount

(₹ in million)

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2017	Additions	Disposals	As at 31 March 2018	As at 01 April 2017	Depreciation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Freehold land	344.83	138.25	-	483.08	-	-	-	-	483.08
Buildings	613.48	173.57	0.23	786.82	15.15	27.60	0.01	42.74	744.08
Plant and equipment	1,178.06	352.55	5.46	1,525.15	76.57	107.37	1.26	182.68	1,342.47
Electrical installation	80.45	13.49	1.96	91.98	8.00	10.60	1.69	16.91	75.07
Electronic data processors	12.93	19.63	0.19	32.37	4.06	5.53	0.13	9.46	22.91
Office equipments	14.92	9.81	0.08	24.65	2.33	4.30	0.06	6.57	18.08
Furniture and fixtures	39.61	18.98	0.23	58.36	2.39	5.25	0.11	7.53	50.83
Laboratory equipment	189.55	138.04	1.70	325.89	65.24	86.65	1.34	150.55	175.34
Vehicles	17.80	15.98	2.98	30.80	2.70	3.19	1.00	4.89	25.91
Total	**2,491.63**	**880.30**	**12.83**	**3,359.10**	**176.44**	**250.49**	**5.60**	**421.33**	**2,937.77**
Add: Capital work-in-progress									150.10
									3,087.87

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	Deemed cost As at 01 April 2016	Additions	Disposals	As at 31 March 2017	Deemed cost As at 01 April 2016	Depreciation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Freehold land	305.90	38.93	-	344.83	-	-	-	-	344.83
Buildings	363.26	250.29	0.07	613.48	-	15.15	-	15.15	598.33
Plant and equipment	710.78	469.68	2.40	1,178.06	-	76.57	-	76.57	1,101.49
Electrical installation	49.37	31.15	0.07	80.45	-	8.00	-	8.00	72.45
Electronic data processors	6.23	6.78	0.08	12.93	-	4.06	-	4.06	8.87
Office equipments	5.72	9.23	0.03	14.92	-	2.33	-	2.33	12.59
Furniture and fixtures	14.13	25.56	0.08	39.61	-	2.39	-	2.39	37.22
Laboratory equipment	116.25	73.80	0.50	189.55	-	65.24	-	65.24	124.31
Vehicles	13.90	3.90	-	17.80	-	2.70	-	2.70	15.10
Total	**1,585.54**	**909.32**	**3.23**	**2,491.63**	**-**	**176.44**	**-**	**176.44**	**2,315.19**
Add: Capital work-in-progress									298.82
									2,614.01

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2015 Proforma	Additions	Disposals	As at 31 March 2016 Proforma	As at 01 April 2015 Proforma	Depreciation for the year	Disposals	As at 31 March 2016 Proforma	As at 31 March 2016 Proforma
Freehold land	162.17	143.73	-	305.90	-	-	-	-	305.90
Buildings	282.23	106.59	1.26	387.56	13.02	11.65	0.37	24.30	363.26
Plant and equipment	718.06	139.00	3.15	853.91	77.73	67.00	1.60	143.13	710.78
Electrical installation	60.02	5.82	0.06	65.78	3.48	12.95	0.02	16.41	49.37
Electronic data processors	19.21	3.94	0.51	22.64	13.01	3.91	0.51	16.41	6.23
Office equipments	7.41	2.78	0.36	9.83	2.29	2.16	0.34	4.11	5.72
Furniture and fixtures	13.10	4.78	0.05	17.83	1.83	1.90	0.03	3.70	14.13
Laboratory equipment	122.93	83.90	2.90	203.93	42.78	46.42	1.52	87.68	116.25
Vehicles	16.37	3.33	0.82	18.88	3.16	2.39	0.57	4.98	13.90
Total	**1,401.50**	**493.87**	**9.11**	**1,886.26**	**157.30**	**148.38**	**4.96**	**300.72**	**1,585.54**
Add: Capital work-in-progress									351.66
									1,937.20

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 4: Property, plant and equipment and capital work-in-progress (continued)

Reconciliation of carrying amount

(₹ in million)

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	As at 01 April 2014 Proforma	Additions	Disposals	As at 31 March 2015 Proforma	As at 01 April 2014 Proforma	Depreciation for the year	Disposals	As at 31 March 2015 Proforma	As at 31 March 2015 Proforma
Freehold land	52.60	109.57	-	162.17	-	-	-	-	162.17
Buildings	130.18	152.05	-	282.23	5.67	7.35	-	13.02	269.21
Plant and equipment	494.40	225.01	1.35	718.06	26.50	52.01	0.78	77.73	640.33
Electrical installation	21.94	38.08	-	60.02	1.56	1.92	-	3.48	56.54
Electronic data processors	16.11	3.51	0.41	19.21	7.04	6.38	0.41	13.01	6.20
Office equipments	5.07	2.41	0.07	7.41	0.54	1.79	0.04	2.29	5.12
Furniture and fixtures	7.11	5.99	-	13.10	0.54	1.29	-	1.83	11.27
Laboratory equipment	55.80	68.18	1.05	122.93	3.60	39.30	0.12	42.78	80.15
Vehicles	8.30	8.80	0.73	16.37	1.00	2.47	0.31	3.16	13.21
Total	**791.51**	**613.60**	**3.61**	**1,401.50**	**46.45**	**112.51**	**1.66**	**157.30**	**1,244.20**
Add: Capital work-in-progress									35.67
									1,279.87

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	Deemed cost As at 01 April 2013 Proforma	Additions	Disposals	As at 31 March 2014 Proforma	Deemed cost As at 01 April 2013 Proforma	Depreciation for the year	Disposals	As at 31 March 2014 Proforma	As at 31 March 2014 Proforma
Freehold land	17.10	35.50	-	52.60	-	-	-	-	52.60
Buildings	107.56	22.75	0.13	130.18	-	5.67	-	5.67	124.51
Plant and equipment	419.45	76.15	1.20	494.40	-	26.50	-	26.50	467.90
Electrical installation	20.31	1.82	0.19	21.94	-	1.56	-	1.56	20.38
Electronic data processors	12.06	4.12	0.07	16.11	-	7.04	-	7.04	9.07
Office equipments	3.00	2.15	0.08	5.07	-	0.54	-	0.54	4.53
Furniture and fixtures	6.40	0.73	0.02	7.11	-	0.54	-	0.54	6.57
Laboratory equipment	32.16	26.67	3.03	55.80	-	3.60	-	3.60	52.20
Vehicles	6.62	1.68	-	8.30	-	1.00	-	1.00	7.30
Total	**624.66**	**171.57**	**4.72**	**791.51**	**-**	**46.45**	**-**	**46.45**	**745.06**
Add: Capital work-in-progress									187.36
									932.42

(i) Capital work-in-progress

Capital work-in-progress mainly comprises new plant and machinery, buildings, chilling centres and other assets under erection for the plant.

(ii) Contractual obligations

Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

(iv) Carrying amount of property, plant and equipment (included in above) pledged as securities for borrowings - 31 March 2018: ₹ 2,937.77, 31 March 2017: ₹ 2,315.19, 31 March 2016: ₹ 1,585.54, 31 March 2015: ₹ 1,244.20, 31 March 2014: ₹ 745.06.

Note 5: Intangible Assets *(₹ in million)*

Reconciliation of carrying amount

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Gross carrying amount at the beginning of the year	**3.89**	**1.78**	**4.80**	**3.97**	**2.57**
Additions	5.55	2.11	2.03	0.83	1.40
Disposals	0.02	-	-	-	-
Gross carrying amount at the end of the year	**9.42**	**3.89**	**6.83**	**4.80**	**3.97**
Accumulated amortisation at the beginning of the year	**1.06**	-	**2.90**	**1.52**	-
Amortisation expense	2.30	1.06	2.15	1.38	1.52
Disposals	0.01	-	-	-	-
Accumulated amortisation at the end of the year	**3.35**	**1.06**	**5.05**	**2.90**	**1.52**
Carrying amount (net) at the end of the year	**6.07**	**2.83**	**1.78**	**1.90**	**2.45**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the intangible assets. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule for the years ended 31 March 2016, 31 March 2015 and 31 March 2014.

Note 6: Biological assets other than bearer plants

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Matured Biological Assets	20.34	17.68	12.89	5.52	-
Immatured Biological Assets	7.65	5.87	5.35	7.94	4.33
	27.99	**23.55**	**18.24**	**13.46**	**4.33**

Reconciliation of carrying amount:

As at	31 March 2018		31 March 2017	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
Balance as at the beginning of the year	**17.68**	**5.87**	**12.89**	**5.35**
Change in fair value (refer note 32)	4.26	5.56	5.33	3.62
Cattles matured during the year	3.36	(3.36)	3.05	(3.05)
Cattles sold/ discarded during the year	(4.96)	(0.42)	(3.59)	(0.05)
Balance as at the end of the year	**20.34**	**7.65**	**17.68**	**5.87**

As at	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets	Matured biological assets	Immatured biological assets
Balance at the beginning of the year	**5.52**	**7.94**	-	**4.33**	-	-
Additions during the year	-	-	-	3.29	-	2.65
Change in fair value (refer note 32)	5.99	2.40	3.33	2.92	-	1.68
Cattles matured during the year	3.30	(3.30)	2.19	(2.19)	-	-
Cattles sold/ discarded during the year	(1.92)	(1.69)	-	(0.41)	-	-
Balance at the end of the year	**12.89**	**5.35**	**5.52**	**7.94**	-	**4.33**

As at 31 March 2018, there were 212 cattle (31 March 2017: 202 cattle, 31 March 2016: 170 cattle, 31 March 2015: 191 cattle, 31 March 2014: 129 cattle) as immatured biological assets and 245 cattle (31 March 2017: 221 cattle, 31 March 2016: 183 cattle, 31 March 2015: 69 cattle, 31 March 2014: Nil) as matured biological assets. During the current year, the Company has sold/ discarded 76 cattle (year ended 31 March 2017: 52 cattle; year ended 31 March 2016: 70 cattle; year ended 31 March 2015: 14 cattle, year ended 31 March 2014: Nil).

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 7: Non-current investments

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Investment in equity instruments					
Carried at cost less provision for other than temporary impairment					
Unquoted					
Investment in subsidiaries					
Dodla Holding Pte. Limited, Singapore	407.84	407.84	340.07	274.11	-
(31 March 2017: 6,606,628; 31 March 2016: 5,500,000; 31 March 2015: 4,500,290) equity shares of face value USD 1.00 each, fully paid up (at cost)]					
Dodla Singapore Pte. Limited, Singapore	-	-	-	-	-*
(31 March 2014: 100) equity shares of face value USD 0.01 each, fully paid up (at cost)					
Investment in associates					
Global VetMed Concepts India Private Limited	38.67	38.67	38.67	-	-
(31 March 2017: 3,866,923; 31 March 2016: 3,866,923) equity shares of face value ₹ 10 each, fully paid up (at cost)]					
Less: Provision for impairment	(38.67)	(38.67)	(38.67)	-	-
Abyssinia Bharat Food Parks PLC, Ethiopia	-	-	-	-	1.63
(31 March 2014: 59,400) equity shares of face value ₹ 10 each, fully paid up (at cost)					
Investment in quoted mutual funds (carried at fair value through profit and loss (FVTPL))	71.10	-	-	-	-
	478.94	**407.84**	**340.07**	**274.11**	**1.63**
Aggregate value of non-current investments - unquoted	446.51	446.51	378.74	274.11	-
Aggregate book/ market value of non-current investments - quoted	71.10	-	-	-	-
Aggregate provision for impairment in value of investment	(38.67)	(38.67)	(38.67)	-	-

* Below the rounding off norm adopted by the Company. The actual amount of investment in Dodla Singapore Pte. Limited, Singapore in ₹ 61.

Note 8: Non-current loans

Unsecured, considered good					
Security deposits	56.88	45.48	35.72	32.73	28.42
Amounts receivable from vendors	90.19	160.45	2.50	-	-
Unsecured, considered doubtful					
Amounts receivable from vendors	5.00	2.50	2.50	-	-
Less: Provision for doubtful advances	(5.00)	(2.50)	(2.50)		
	147.07	**205.93**	**38.22**	**32.73**	**28.42**

Note 9: Other non-current financial assets

Balance with bank held as margin money*	-	0.50	-	-	-
Share application money pending allotment**	-	-	-	21.00	21.00
Less : Provision for doubtful advance**	-	-	-	(21.00)	(21.00)
	-	**0.50**	-	-	-

* Represents margin money deposits against bank guarantee.
** Forms a part of outstanding balances as disclosed under note 43 (iii)

Note 10: Other non-current assets

Capital advances					
Unsecured, considered good	3.01	56.35	300.10	234.12	251.07
Unsecured, considered doubtful	0.03	0.03	0.03	-	-
Less : Provision for doubtful advances	(0.03)	(0.03)	(0.03)	-	-
Advances other than capital advances (Unsecured, considered good)					
Salary advances to key managerial person**	3.00	5.40	-	-	-
Taxes paid under protest	75.03	74.93	31.01	-	-
	81.04	**136.68**	**331.11**	**234.12**	**251.07**

** Forms a part of outstanding balances as disclosed under note 43 (iii)

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 11: Inventories*					
Raw materials and packing materials	211.42	173.87	44.43	280.05	230.81
Work-in-progress	455.92	242.34	297.24	424.78	100.39
Finished goods**	593.43	389.87	533.72	695.91	137.26
Stock-in-trade	-	-	0.36	0.51	0.20
Stores and spares	35.02	22.10	15.74	15.41	13.82
	1,295.79	**828.18**	**891.49**	**1,416.66**	**482.48**
Carrying amount of inventories (included in above) pledged as securities for borrowings	1,295.79	828.18	891.49	1,416.66	482.48

*Refer note 3 (f) for mode of valuation for inventories.

**includes goods-in-transit amounting to ₹ Nil (31 March 2017: ₹ 16.89; 31 March 2016: ₹ 25.11; 31 March 2015: ₹ 8.75; 31 March 2014: ₹ 11.63).

The write down of inventories to net realisable value during the year amounted to ₹ 0.82 (31 March 2017: ₹ 0.10, 31 March 2016: ₹ 30.30; 31 March 2015: ₹ 25.90; 31 March 2014: Nil). The write down are included in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress.

Note 12: Current investments					
Investment in quoted mutual funds (carried at FVTPL)	598.49	683.54	637.10	609.72	925.60
	598.49	**683.54**	**637.10**	**609.72**	**925.60**
Carrying amount of investments (included in above) pledged as securities for borrowings	531.42	632.79	395.52	396.07	-
Aggregate book/ market value of current investments - quoted	598.49	683.54	637.10	609.72	925.60
Aggregate amount of impairment in value of investment	-	-	-	-	-

Details about the Company's exposure to credit and market risks and fair value measurement is included in note 48.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 13: Trade receivables					
Unsecured, considered good	19.35	5.26	5.07	11.52	6.49
Unsecured, considered doubtful	0.45	0.45	3.03	2.39	2.39
	19.80	**5.71**	**8.10**	**13.91**	**8.88**
Less: Allowance for doubtful debts	(0.45)	(0.45)	(3.03)	(2.39)	(2.39)
	19.35	**5.26**	**5.07**	**11.52**	**6.49**
Carrying amount of receivables (included in above) pledged as securities for borrowings	19.35	5.26	5.07	11.52	6.49
Due date based ageing					
- Debts outstanding for a period exceeding six months from the date they became due	0.92	0.45	3.03	2.41	2.61
- Other debts	18.88	5.26	5.07	11.50	6.27
	19.80	**5.71**	**8.10**	**13.91**	**8.88**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 48.

Note 14: Current loans					
Unsecured, considered good					
Loans to director (refer note 47)**	-	12.50	12.50	-	-
Amounts receivable from vendors	67.00	-	-	-	-
	67.00	**12.50**	**12.50**	**-**	**-**

** Forms a part of outstanding balances as disclosed under note 43 (iii)

Note 15: Cash and bank balances					
(a) Cash and cash equivalents:					
Cash on hand	14.46	18.54	12.80	12.39	44.82
Balances with banks					
-in current accounts#	46.52	50.83	79.05	97.85	310.18
-in deposit accounts (with original maturity of less than three months)	50.00	-	-	-	73.12
	110.98	**69.37**	**91.85**	**110.24**	**428.12**
(b) Other bank balances*	0.70	-	-	2.41	-
	0.70	-	-	**2.41**	-

Current account balances with banks include funds which are not freely available amounting to ₹ Nil (31 March 2017: ₹ 13.53; 31 March 2016: ₹ 13.53; 31 March 2015: Nil; 31 March 2014: Nil) (refer note 43(c))
* Represents margin money deposits against bank guarantee.

Note 16: Derivatives					
Cross currency interest rate swaps	-	4.88	11.28	11.27	12.07
	-	**4.88**	**11.28**	**11.27**	**12.07**

Details about the Company's exposure to credit and market risks and fair value measurement is included in note 48.

Note 17: Other current financial assets					
Interest accrued **	1.63	1.39	1.30	1.05	3.69
Excess remuneration paid to managing director held in trust**		-	-	11.54	-
Inter corporate deposits	-	-	-	-	55.00
Share application money pending allotment - Dodla Milk Processing Plc - Ethiopia (refer note 43(c))					
Unsecured, considered good	-	-	-	12.99	14.74
Unsecured, considered doubtful	-	2.30	2.30	1.75	-
Less: provision for doubtful advances	-	(2.30)	(2.30)	(1.75)	-
	1.63	**1.39**	**1.30**	**25.58**	**73.43**

** Includes a part of outstanding balances as disclosed under note 43 (iii)

Note 18: Other current assets					
Advances other than capital advances:					
Unsecured considered good:					
Salary advances to employees	3.74	3.13	2.32	2.16	2.23
Salary advances to key managerial person**	2.40	2.40	3.48	0.08	-
Prepaid expenses	19.18	14.04	7.86	5.40	5.29
Advance to suppliers	6.45	244.44	6.87	42.40	68.20
Other advances**	8.19	9.25	6.77	5.45	2.88
Balance with government authorities	6.04	-	-	-	-
Unsecured, considered doubtful:					
Other advances**	53.64	53.64	53.64	55.59	33.95
Less : Provision for doubtful advances	(53.64)	(53.64)	(53.64)	(55.59)	(33.95)
	46.00	**273.26**	**27.30**	**55.49**	**78.60**

** Includes a part of outstanding balances as disclosed under note 43 (iii)

Note 19: Equity share capital *(₹ in million except per share data)*

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Authorised					
75,000,000 (31 March 2017, 2016, 2015, 2014: 6,000,000) equity shares of ₹10 each	750.00	60.00	60.00	60.00	60.00
	750.00	**60.00**	**60.00**	**60.00**	**60.00**
Issued, subscribed & paid up share capital					
3,274,823 (31 March 2017, 2016, 2015, 2014: 3,274,823) equity shares of ₹10 each fully paid up	32.75	32.75	32.75	32.75	32.75
	32.75	**32.75**	**32.75**	**32.75**	**32.75**

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

As at	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	3,274,823.00	32.75	3,274,823	32.75
Issued during the year	-	-	-	-
Outstanding at the end of the year	**3,274,823**	**32.75**	**3,274,823**	**32.75**

As at	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares						
At the commencement of the year	3,274,823	32.75	3,274,823	32.75	3,274,823	32.75
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**3,274,823**	**32.75**	**3,274,823**	**32.75**	**3,274,823**	**32.75**

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

The Company has a single class of equity shares as at 31 March 2018 having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, TPG Dodla Dairy Holdings Pte. Ltd ("the Investor") shall be paid from the distributable proceeds, an amount (hereafter referred to as the "investor liquidation amount") which is the higher of:
(i) an amount equal to the investment amount, plus any accrued or declared but unpaid dividends on its investor shares; and
(ii) such amount as is equivalent to it's proportionate share of the distributable proceeds, based on the Investor's then existing shareholding percentage, provided that, in the event that the distributable proceeds are less than the investor liquidation amount, the investor will have the right to receive (and the Promoters and the Company shall procure that the Investor receives) the entire distributable proceeds.

After the payment in full is made to the Investor, as set forth in above clause, the balance of the distributable proceeds, if any, shall be distributed to all shareholders, excluding the Investor pro rata in proportion to their inter se shareholding held in the Company.

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

As at	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹10/- each fully paid-up				
Mr. D. Sunil Reddy	832,124	25.41%	832,124	25.41%
Mrs. D. Girija Reddy	1	0.00%	822,120	25.10%
Mrs. D. Deepa Reddy	363,256	11.09%	363,256	11.09%
Mr. D. Subba Reddy	1	0.00%	337,499	10.31%
Mr. D. Sesha Reddy	1,195,238	36.50%	-	-
Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd	-	-	774,823	23.66%
TPG Dodla Dairy Holdings Pte. Ltd.	884,202	27.00%	-	-

As at	31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹10/- each fully paid-up						
Mr. D. Sunil Reddy	832,124	25.41%	832,124	25.41%	832,124	25.41%
Mrs. D. Girija Reddy	822,120	25.10%	822,120	25.10%	822,120	25.10%
Mrs. D. Deepa Reddy	363,256	11.09%	363,256	11.09%	363,256	11.09%
Mr. D. Subba Reddy	337,499	10.31%	337,499	10.31%	337,499	10.31%
Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd	774,823	23.66%	774,823	23.66%	-	-
BR CPF Holdings (Mauritius) Limited	-	-	-	-	774,823	23.66%

(d) During the five years immediately preceeding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(e) 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 at an exercise price of ₹ 3,627.38 per share to the Chief Executive Officer of the Company. Each option represents one equity share of ₹ 10/- each.

Movement in the options under the Plan	No. of options				
As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Options outstanding at the beginning of the year	-	-	-	-	-
Options granted during the year	49,122	-	-	-	-
Options exercised during the year	-	-	-	-	-
Options exercisable at the end of the year	**49,122**	**-**	**-**	**-**	**-**

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	49,122
Date of grant	23-Mar-18
Vesting period (years)	1 to 4
Expected volatility	45.00%
Risk free rate	7.60%

(f) The Board of Directors of the Company in their meeting held on 13 July 2018 have proposed for the issuance of Bonus shares in the ratio of 16:1 to the existing shareholders of the Company. The proposal of the Board of Directors was approved by the Shareholders of the Company in their Annual General Meeting held on 17 July 2018.

Note 20: Other equity

Particulars	Attributable to the owners of the Company				
	Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2013 Proforma	**12.00**	**1,092.25**	**515.84**	**-**	**1,620.09**
Additions:					
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	1.03	-	1.03
Net profit after tax transferred from the statement of profit and loss	-	-	253.45	-	253.45
Balance as at 31 March 2014 Proforma	**12.00**	**1,092.25**	**770.32**	**-**	**1,874.57**

Particulars	Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2014 Proforma	**12.00**	**1,092.25**	**770.32**	**-**	**1,874.57**
Additions:					
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	1.07	-	1.07
Net profit after tax transferred from the statement of profit and loss	-	-	124.77	-	124.77
Balance as at 31 March 2015 Proforma	**12.00**	**1,092.25**	**896.16**	**-**	**2,000.41**

Particulars	Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2015 Proforma	**12.00**	**1,092.25**	**896.16**	**-**	**2,000.41**
Additions:					
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	(1.80)	-	(1.80)
Net profit after tax transferred from the statement of profit and loss	-	-	512.61	-	512.61
Less: Interim dividend on equity shares [₹ 25 per share] and dividend distribution tax thereon	-	-	(98.54)	-	(98.54)
Balance as at 31 March 2016 Proforma	**12.00**	**1,092.25**	**1,308.43**	**-**	**2,412.68**

Particulars	Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2016	**12.00**	**1,092.25**	**1,308.43**	**-**	**2,412.68**
Additions:					
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	(2.70)	-	(2.70)
Net profit after tax transferred from the statement of profit and loss	-	-	461.08	-	461.08
Balance as at 31 March 2017	**12.00**	**1,092.25**	**1,766.81**	**-**	**2,871.06**

Particulars	Capital redemption reserve	Securities premium	Retained earnings	Share options outstanding account	Total
Balance as at 01 April 2017	**12.00**	**1,092.25**	**1,766.81**	**-**	**2,871.06**
Additions:					
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	15.30	-	15.30
Employee share based payment expense	-	-	-	0.60	0.60
Net profit after tax transferred from the statement of profit and loss	-	-	508.69	-	508.69
Balance as at 31 March 2018	**12.00**	**1,092.25**	**2,290.80**	**0.60**	**3,395.65**

Nature and purpose of the reserve

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 19(e)).

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.

Securities Premium

Securities premium reserve 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

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(₹ in million)

Note 21: Non-current borrowings

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Secured					
Term loans					
- from banks (refer below)	222.50	315.00	323.79	80.92	126.82
	222.50	**315.00**	**323.79**	**80.92**	**126.82**

Borrowings : Statement of details of long-term borrowings outstanding as at 31 March 2018

S. No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount outstanding as at 31 March 2018 (including current maturities)	Rate of Interest as on 31 March 2018	Year of sanction	Repayment terms	Prepayment charges	Default charges	Security
1	HDFC Bank	Term Loan	INR	65.00	60.93	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from January 2018 of ₹ 4.06 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
2	HDFC Bank	Term Loan	INR	100.00	93.75	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from January 2018 of ₹ 6.25 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
3	HDFC Bank	Term Loan	INR	90.00	28.13	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from September 2016 of ₹ 3.13 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
4	HDFC Bank	Term Loan	INR	25.00	23.44	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from January 2018 of ₹ 1.56 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
5	HDFC Bank	Term Loan	INR	60.00	56.25	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from January 2018 of ₹ 3.75 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
6	HDFC Bank	Term Loan	INR	150.00	52.50	MCLR plus 1.10%	2015-2016	16 equal quarterly installments commencing from April 2017 of ₹ 4.38 each	2% on principal outstanding	2% p.a. above the normal rate for all overdue/ delays of any monies payable (principal as well as interest) and non-completion of documentation as required by the bank within the stipulated time.	The term loan is secured by exclusive charge on all the movable and immovable fixed assets acquired using the term loan, pari-passu second charge on the current assets and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.

Aggregate amount of loans (including current maturities) guaranteed by the directors of the Company outstanding as at 31 March 2018 is ₹ 315.00 millions (31 March 2017: ₹ 393.04, 31 March 2016: ₹ 384.66, 31 March 2015: ₹ 130.55, 31 March 2014: ₹ 360.20)

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 48.

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 22: Deferred tax liabilities					
The balance comprises temporary differences attributable to:					
Deferred tax liabilities					
On account of property, plant and equipment (PPE)	246.37	175.96	130.78	122.56	102.87
Fair value changes in mutual funds	16.99	14.71	9.45	12.98	8.06
Others	5.02	2.81	0.19	3.24	0.58
Deferred tax assets					
Provision for employee benefits	(39.40)	(42.34)	(27.52)	(18.75)	(9.69)
Provision for doubtful debts and advances	(20.46)	(20.39)	(21.28)	(20.30)	(12.44)
Net deferred tax liabilities	**208.52**	**130.75**	**91.62**	**99.73**	**89.38**
Also refer note 39, for tax expense.					

Movement in deferred tax liabilities/ (assets)

	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2013 Proforma	**92.14**	**7.54**	**(6.59)**	**(13.66)**	**-**	**79.43**
Charged/ (credited):						
- to profit or loss	10.73	0.52	(3.65)	1.22	0.58	9.40
- to other comprehensive income	-	-	0.55	-	-	0.55
Balance as at 31 March 2014 Proforma	**102.87**	**8.06**	**(9.69)**	**(12.44)**	**0.58**	**89.38**

	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2014 Proforma	**102.87**	**8.06**	**(9.69)**	**(12.44)**	**0.58**	**89.38**
Charged/ (credited):						
- to profit or loss	19.69	4.92	(9.63)	(7.86)	2.66	9.78
- to other comprehensive income	-	-	0.57	-	-	0.57
Balance as at 31 March 2015 Proforma	**122.56**	**12.98**	**(18.75)**	**(20.30)**	**3.24**	**99.73**

	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2015 Proforma	**122.56**	**12.98**	**(18.75)**	**(20.30)**	**3.24**	**99.73**
Charged/ (credited):						
- to profit or loss	8.22	(3.53)	(7.82)	(0.98)	(3.05)	(7.16)
- to other comprehensive income	-	-	(0.95)	-	-	(0.95)
Balance as at 31 March 2016 Proforma	**130.78**	**9.45**	**(27.52)**	**(21.28)**	**0.19**	**91.62**

	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2016	**130.78**	**9.45**	**(27.52)**	**(21.28)**	**0.19**	**91.62**
Charged/ (credited):						
- to profit or loss	45.18	5.26	(13.39)	0.89	2.62	40.56
- to other comprehensive income	-	-	(1.43)	-	-	(1.43)
Balance as at 31 March 2017	**175.96**	**14.71**	**(42.34)**	**(20.39)**	**2.81**	**130.75**

	On account of PPE	Fair value changes in mutual funds	Provision for employee benefit	Provision for doubtful debts and advances	Others	Total
Balance as at 01 April 2017	**175.96**	**14.71**	**(42.34)**	**(20.39)**	**2.81**	**130.75**
Charged/ (credited):						
- to profit or loss	70.41	2.28	(5.16)	(0.07)	2.21	69.67
- to other comprehensive income	-	-	8.10	-	-	8.10
Balance as at 31 March 2018	**246.37**	**16.99**	**(39.40)**	**(20.46)**	**5.02**	**208.52**

Note 23: Government grants

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Non-current	34.52	14.46	15.91	3.45	3.67
Current	2.86	1.46	1.46	0.22	0.22
	37.38	**15.92**	**17.37**	**3.67**	**3.89**

Movement of Government grants:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Balance at the beginning of the year	15.92	17.37	3.67	3.89	**4.11**
Add: Received during the year	25.78	0.43	15.00	-	-
Less: Released to statement of profit and loss (refer note 32)	(4.32)	(1.88)	(1.30)	(0.22)	(0.22)
Balance at the end of the year	**37.38**	**15.92**	**17.37**	**3.67**	**3.89**

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 24: Non-current provisions					
Provision for employee benefits					
Compensated absences	53.32	54.54	35.32	24.20	7.91
Gratuity (refer note (ii) below)	15.56	34.13	17.62	14.77	10.53
	68.88	**88.67**	**52.94**	**38.97**	**18.44**

(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.

(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 million).

a) The amounts recognised in the statement of assets and liabilities and the movements in the defined benefit obligation and plan assets over the years are as follows:

As at	31 March 2018			31 March 2017		
	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)	**60.21**	**(22.24)**	**37.97**	**42.60**	**(22.25)**	**20.35**
Current service cost	14.48	-	14.48	12.20	-	12.20
Past service cost	2.78	-	2.78	-	-	-
Interest cost	4.03	-	4.03	3.11	-	3.11
Expected returns	-	(1.49)	(1.49)	-	(1.72)	(1.72)
Total amount recognised in profit or loss (B)	**21.29**	**(1.49)**	**19.80**	**15.31**	**(1.72)**	**13.59**
Remeasurements						
(Gain)/ loss from change in demographic assumptions	(3.58)	-	(3.58)	-	-	-
(Gain)/ loss from change in financial assumptions	(20.37)	-	(20.37)	4.72	0.10	4.82
Experience losses/ (gains)	1.43	(0.88)	0.55	(0.69)	-	(0.69)
Total amount recognised in other comprehensive income (C)	**(22.52)**	**(0.88)**	**(23.40)**	**4.03**	**0.10**	**4.13**
Contributions (D)	-	(12.55)	(12.55)	-	(0.10)	(0.10)
Benefit paid (E)	(1.35)	1.35	-	(1.73)	1.73	-
Closing balance (A+B+C+D+E)	**57.63**	**(35.81)**	**21.82**	**60.21**	**(22.24)**	**37.97**

As at	31 March 2016 Proforma			31 March 2015 Proforma			31 March 2014 Proforma		
	Present value of obligation	Fair value of plan assets	Net amount	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)	**29.78**	**(13.12)**	**16.66**	**20.45**	**(8.93)**	**11.52**	**19.36**	**(8.60)**	**10.76**
Current service cost	9.17	-	9.17	9.43	-	9.43	1.53	-	1.53
Interest cost	2.27	-	2.27	1.84	-	1.84	1.79	-	1.79
Expected returns	-	(1.42)	(1.42)	-	(0.92)	(0.92)	-	(0.75)	(0.75)
Total amount recognised in profit or loss (B)	**11.44**	**(1.42)**	**10.02**	**11.27**	**(0.92)**	**10.35**	**3.32**	**(0.75)**	**2.57**
Remeasurements									
(Gain)/ loss from change in financial assumptions	1.36	0.17	1.53	3.70	(0.08)	3.62	1.51	0.01	1.52
Experience losses/ (gains)	1.22	-	1.22	(5.26)	-	(5.26)	(3.10)	-	(3.10)
Total amount recognised in other comprehensive income (C)	**2.58**	**0.17**	**2.75**	**(1.56)**	**(0.08)**	**(1.64)**	**(1.59)**	**0.01**	**(1.58)**
Contributions (D)	-	(9.08)	(9.08)	-	(3.57)	(3.57)	-	(0.23)	(0.23)
Benefit paid (E)	(1.20)	1.20	-	(0.38)	0.38	-	(0.64)	0.64	-
Closing balance (A+B+C+D+E)	**42.60**	**(22.25)**	**20.35**	**29.78**	**(13.12)**	**16.66**	**20.45**	**(8.93)**	**11.52**

Note 24: Non-current provisions (continued)

b) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Discount rate	7.60%	6.69%	7.46%	7.77%	9.10%
Salary escalation rate	10.00%	12.00%	12.00%	12.00%	12.00%
Employee attrition rate	12.00%	8.00%	8.00%	8.00%	8.00%
Retirement age	58 years	58 years	58 years	58 years	58 years

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.

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 2018		31 March 2017		31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	53.76	62.07	54.21	67.39	38.32	47.69	26.82	33.29	18.62	22.59
Salary escalation rate (1% movement)	61.81	53.90	66.24	54.88	47.02	38.67	32.87	27.05	22.35	18.75
Employee attrition rate (1% movement)	56.96	58.40	57.79	63.04	41.19	44.21	28.84	30.86	20.03	20.92

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 period) 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.

d) The major categories of plan assets are as follows

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Funds managed by Life Insurance Corporation of India	35.81	22.24	22.25	13.12	8.93
Total	**35.81**	**22.24**	**22.25**	**13.12**	**8.93**

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 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
1st following year	6.26	4.00	2.73	1.69	0.99
2nd following year	7.11	3.69	2.97	1.74	1.89
3rd following year	7.73	4.16	3.32	2.34	1.35
4th following year	6.64	4.42	3.76	2.33	1.82
5th following year	5.79	3.90	3.71	2.85	1.72
Thereafter	81.56	74.19	110.52	79.82	55.29

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued) *(₹ in million)*

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 25: Current borrowings					
Loans repayable on demand from banks					
Secured					
Cash credit	212.80	-	15.49	12.90	0.14
Overdraft	355.33	343.37	341.78	347.75	-
Other loans from banks					
Secured					
Working capital demand loans	375.00	625.00	250.00	771.50	290.00
Unsecured					
Working capital demand loans	-	-	100.00	-	100.00
	943.13	**968.37**	**707.27**	**1,132.15**	**390.14**

Borrowings : Statement of details of current borrowings outstanding as at 31 March 2018

S. No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount outstanding as at 31 March 2018	Rate of interest as on 31 March 2018	Security
1	ICICI Bank	Overdraft	INR	250.00	128.47	8.00% - 9.00%	This facility is secured by way of pari-passu first charge on the selected investments of the Company in the mutual funds.
2	ICICI Bank	Working capital demand loan	INR	225.00	225.00	7.00% - 8.00%	This facility from ICICI Bank is secured by way of pari-passu first charge on the entire stock of inventory and such other movables including book debts, receivables, both present and future and a pari-passu second charge on the fixed assets of the Company which are both moveable and immovable in nature (except for the fixed assets funded out of HDFC term loan) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
3	Kotak Mahindra Bank	Working capital demand loan	INR	300.00	150.00	7.70% - 8.10%	This facility is secured by pari-passu first charge on all the current assets of the Company and second charge on all the fixed assets of the Company including equitable mortgage on the specified property of the Company, both present and future (other than assets exclusively charged to term lenders) and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
4	HDFC Bank	Cash credit and working capital demand loan	INR	200.00	12.98	Cash credit - 9.50%-10.00% Working capital demand loan - 8.00% - 9.00%	These facilities are secured by pari-passu first charge on all the current assets of the Company and second charge on all the fixed assets of the Company other than those financed by ICICI Bank and SCB Bank and personal guarantees furnished by the director of the Company, Mr. Sunil Reddy.
5	HSBC Bank	Overdraft and working capital demand loan	INR	200.00	199.82	7.60% - 9.10%	These facilities are secured by pari-passu hypothecation charge on entire current asset of the Company, second charge on all the fixed assets of the Company both present and future and personal guarantee furnished by the director of the Company, Mr. Sunil Reddy.
6	HSBC Bank	Overdraft	INR	250.00	226.86	7.60% - 9.10%	This facility is secured by way of pari-passu first charge on the selected investments of the Company in the mutual funds.

Aggregate amount of loans guaranteed by the directors of the Company outstanding as at 31 March 2018 is ₹ 587.80 millions (31 March 2017: ₹ 625.00, 31 March 2016: ₹ 365.49, 31 March 2015: ₹ 781.41, 31 March 2014: ₹ 390.00)

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 48.

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 26: Trade payables					
Total outstanding dues of micro and small enterprises (refer note below)	-	0.01	-	-	-
Total outstanding dues of other than micro and small enterprises **	592.52	486.37	423.53	427.37	311.55
	592.52	**486.38**	**423.53**	**427.37**	**311.55**

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.

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 the year:					
- Principal	-	0.01	-	-	-
- Interest	-	-	-	-	-
ii) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year	-	-	-	-	-
iii) The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-	-	-	-
iv) 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 MSMED Act, 2006.					
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-	-
vi) 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 the MSMED Act, 2006	-	-	-	-	-
	-	**0.01**	-	-	-

** Includes a part of outstanding balances as disclosed under note 43 (iii)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 48.

Note 27: Other financial liabilities					
Current maturities of long term debt from banks (refer note 21)	92.50	78.04	60.87	49.63	233.38
Current maturities of long term debts from other than banks	-	-	-	-	0.60
Interest accrued but not due on borrowings	2.72	4.63	5.38	3.52	2.78
Capital creditors	33.29	24.71	15.88	12.10	11.68
Employee payables**	89.24	58.19	60.61	36.84	30.18
Security deposits	96.97	73.69	39.63	20.83	13.84
	314.72	**239.26**	**182.37**	**122.92**	**292.46**

** Includes a part of outstanding balances as disclosed under note 43 (iii)

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 48.

Note 28: Current provisions					
Provision for employee benefits					
Compensated absences	9.89	4.54	2.86	2.45	1.42
Gratuity (refer note 24)	6.26	3.84	2.73	1.89	0.99
	16.15	**8.38**	**5.59**	**4.34**	**2.41**
Note 29: Income tax assets and current tax liabilities					
Current tax liability	131.41	111.02	99.22	116.70	77.45
Current tax asset	(38.52)	(38.52)	(38.52)	-	(10.59)
	92.89	**72.50**	**60.70**	**116.70**	**66.86**

Also refer note 39, for tax expense.

Note 30: Other current liabilities					
Advances from customers	15.82	22.53	21.52	13.08	10.51
Statutory dues (including provident fund and tax deducted at source)	28.01	18.15	12.38	6.07	7.33
	43.83	**40.68**	**33.90**	**19.15**	**17.84**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(₹ in million)

For the Year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 31: Revenue from operations					
Sale of goods:					
- Finished goods	15,359.62	14,092.84	11,778.84	10,151.92	8,410.76
- Traded goods	-	-	26.04	25.27	2.10
Sale of services					
- Conversion service charges	6.66	1.19	5.09	2.40	2.14
Other operating revenue					
- Sale of scrap	6.39	5.81	5.67	3.78	4.19
	15,372.67	**14,099.84**	**11,815.64**	**10,183.37**	**8,419.19**
Note 32: Other income					
Interest income					
- on deposits	0.03	0.02	0.11	0.81	9.51
- on others	3.28	3.23	2.74	4.24	6.75
Amortisation of government grants (refer note (i) below and note 23)	4.32	1.88	1.30	0.22	0.22
Changes in fair value of biological assets (refer note 6)	9.82	8.95	8.39	6.25	1.68
Fair value gain on financial assets measured at fair value through profit and loss	32.51	26.83	11.57	27.99	16.23
Dividend income from investment in mutual funds	3.90	19.56	23.03	29.49	14.12
Profit on sale of investments in mutual funds, net	0.82	3.73	1.94	5.15	1.38
Profit on sale of investment in associate	-	-	-	0.55	-
Gain on account of foreign exchange fluctuations, net	0.34	0.35	1.41	-	3.51
Other non-operating income	8.48	6.90	5.44	6.47	15.81
	63.50	**71.45**	**55.93**	**81.17**	**69.21**

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 33: Cost of materials consumed					
Inventory of materials at the beginning of the year	173.87	44.43	280.05	230.81	22.22
Add: Purchases	12,444.66	11,105.59	8,577.66	9,304.66	6,553.66
Less: Inventory of materials at the end of the year	211.42	173.87	44.43	280.05	230.81
	12,407.11	**10,976.15**	**8,813.28**	**9,255.42**	**6,345.07**
Note 34: Changes in inventories of finished goods, work-in-progress and stock-in-trade					
a) Finished goods					
Opening stock	389.87	533.72	695.91	137.26	337.35
Closing stock	(593.43)	(389.87)	(533.72)	(695.91)	(137.26)
	(203.56)	**143.85**	**162.19**	**(558.65)**	**200.09**
b) Work-in-progress					
Opening stock	242.34	297.24	424.78	100.39	380.17
Closing stock	(455.92)	(242.34)	(297.24)	(424.78)	(100.39)
	(213.58)	**54.90**	**127.54**	**(324.39)**	**279.78**
c) Stock-in-trade					
Opening stock	-	0.36	0.51	0.20	0.06
Closing stock	-	-	(0.36)	(0.51)	(0.20)
	-	**0.36**	**0.15**	**(0.31)**	**(0.14)**
	(417.14)	**199.11**	**289.88**	**(883.35)**	**479.73**
Note 35: Employee benefits expense					
Salaries, wages and bonus	546.80	470.49	417.44	307.28	239.15
Employee share based payment expenses (refer notes 19(e) and 20)	0.60	-	-	-	-
Contribution to provident and other funds	39.69	31.74	25.70	21.10	16.65
Expenses related to post-employment defined benefit plans (refer note 24)	19.80	13.59	10.02	10.35	2.57
Staff welfare expenses	6.24	6.21	8.00	8.90	10.13
	613.13	**522.03**	**461.16**	**347.63**	**268.50**
Note 36: Depreciation and amortisation expense					
Depreciation of property, plant and equipment	250.49	176.44	148.38	112.51	46.45
Amortisation of intangible assets	2.30	1.06	2.15	1.38	1.52
	252.79	**177.50**	**150.53**	**113.89**	**47.97**
Note 37: Finance costs					
Interest expense on loan from banks	98.45	72.87	96.94	65.26	26.84
Other interest costs	1.23	4.31	7.41	11.34	6.63
Other borrowing costs	0.02	0.86	3.82	6.18	3.24
	99.70	**78.04**	**108.17**	**82.78**	**36.71**

Annexure VII - Notes to the Restated Standalone Financial Information (continued) *(₹ in million)*

For the Year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 38: Other expenses					
Power and fuel	265.77	224.93	179.69	172.35	127.58
Consumption of stores and spare parts	122.72	100.58	86.32	82.82	67.06
Conversion and processing charges	-	0.63	8.76	4.10	-
Milk procurement expenses	10.94	10.55	10.90	7.88	7.09
Freight inward and handling	390.91	341.64	275.12	248.79	175.44
Repairs and maintenance:					
- building	22.87	13.67	12.15	5.73	5.01
- machinery	20.16	8.17	6.49	12.00	7.89
- other assets	2.41	2.01	1.94	1.35	1.02
Rent (refer note (i) below)	50.65	46.62	52.69	36.25	27.40
Rates and taxes	23.34	21.43	11.67	7.54	10.95
Communication expenses	9.86	10.04	8.90	8.29	7.34
Printing and stationery	7.23	4.66	4.27	3.75	3.43
Travelling and conveyance	47.39	43.22	38.59	33.62	35.62
Vehicle hire charges	8.03	8.16	6.68	5.76	5.18
Bank charges	4.11	5.48	6.46	5.63	4.85
Legal and professional charges (refer note (ii) below)	45.87	47.87	31.88	29.83	27.82
Security expenses	28.28	23.52	17.30	13.91	10.32
Bad debts written off	0.06	2.75	0.33	0.27	-
Advances written off	2.33	-	-	-	-
Provision for doubtful debts	-	(2.58)	0.64	-	0.72
Provision for doubtful advances	0.20	-	(19.87)	23.39	17.14
Provision for other than temporary diminution in the value of investment in associate	-	-	38.67	-	-
Insurance	12.24	9.69	6.97	6.38	1.51
Loss on sale/ retirement of property, plant and equipment, net	4.62	1.83	1.69	0.41	1.20
Loss on sale/ retirement of biological assets	3.67	2.59	0.71	0.28	-
Net loss on account of foreign exchange fluctuations	-	-	-	1.66	-
Corporate social responsibility (refer note (iii) below)	6.19	0.22	0.72	-	-
Freight and forwarding	152.30	176.45	156.80	159.62	137.19
Advertisement expenses	49.25	59.79	37.55	10.86	25.07
Distribution expenses	403.65	345.83	270.54	233.42	192.23
Miscellaneous expenses	29.98	24.44	18.83	17.11	18.81
	1,725.03	**1,534.19**	**1,273.39**	**1,133.00**	**917.87**

Note:

(i) Operating leases:

The Company has certain cancellable operating leases for plants, chilling centres and milk parlours. Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expense of ₹ 50.65 (31 March 2017: ₹ 46.62 ; 31 March 2016: ₹ 52.69 ; 31 March 2015: ₹ 36.25; 31 March 2014: ₹ 27.40) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

(ii) Auditors remuneration (included in legal and professional, including tax)

Audit fees					
Statutory audit*	5.31	4.60	4.16	3.76	3.15
Other services	-	0.52	1.40	0.46	0.46
Out-of-pocket expenses	0.28	0.25	0.36	0.34	0.12
	5.59	**5.37**	**5.92**	**4.56**	**3.73**

* includes ₹ 0.30 billed in the year ended 31 March 2015 for the statutory audit for the year ended 31 March 2014.

(iii) Corporate social responsibility

Gross amount required to be spent by the Company during the year amounts to ₹ 10.43 (31 March 2017: ₹ 8.48; 31 March 2016: ₹ 6.64; 31 March 2015: ₹ 7.37)

Amount spent during the year ended 31 March 2018 on	**In cash**	**Yet to be paid in cash**	**Total**
Construction or acquisition of assets	-	-	**-**
Purposes other than construction or acquisition of assets	6.19	-	**6.19**

Amount spent during the year 31 March 2017 on	**In cash**	**Yet to be paid in cash**	**Total**
Construction or acquisition of assets	-	-	**-**
Purposes other than construction or acquisition of assets	0.22	-	**0.22**

Amount spent during the year 31 March 2016 on	**In cash**	**Yet to be paid in cash**	**Total**
Construction or acquisition of assets	-	-	**-**
Purposes other than construction or acquisition of assets	0.72	-	**0.72**

Amount spent during the year 31 March 2015 on	**In cash**	**Yet to be paid in cash**	**Total**
Construction or acquisition of assets	-	-	**-**
Purposes other than construction or acquisition of assets	-	-	**-**

For the Year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 39: Income tax expense					
(a) Amounts recognised in profit or loss					
Current tax	177.19	182.63	242.25	54.00	127.54
Deferred tax	69.67	40.56	(7.16)	9.78	9.40
	246.86	**223.19**	**235.09**	**63.78**	**136.94**
(b) Amounts recognised in other comprehensive income					
Current tax	-	-	-	-	-
Deferred tax	8.10	(1.43)	(0.95)	0.57	0.55
	8.10	**(1.43)**	**(0.95)**	**0.57**	**0.55**
(c) Reconciliation of effective tax rate					
Profit before tax	**755.55**	**684.27**	**747.70**	**188.55**	**390.39**
Statutory income tax rate	34.61%	34.61%	34.61%	33.99%	33.99%
Tax using the Company's domestic tax rate	261.48	236.81	258.76	64.09	132.69
Tax effect of:					
Exempt income	(8.50)	(11.58)	(29.27)	(10.02)	(9.82)
Adjustment for items taxed at a lower rate	-	(3.45)	-	-	-
Others	(6.12)	1.41	5.60	9.71	14.07
	246.86	**223.19**	**235.09**	**63.78**	**136.94**

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(₹ in million)

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Note 40: Contingent liabilities					
Claims against the Company not acknowledged as debts :					
Income tax matters	0.99	0.99	0.99	0.99	0.99
Indirect tax matters	6.44	4.09	-	-	-

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.

Note 41: Commitments

Capital commitments:					
Estimated amount of contracts remaining to be executed on capital account (net of advances)	9.80	57.05	120.44	246.68	28.42
Other commitments:					
Investment in subsidiary Dodla Holdings Pte. Limited, Singapore	-	-	-	31.28	-

Note 42: Earnings per share ('EPS')

For the year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Earnings					
Profit attributable to equity shareholders (A)	508.69	461.08	512.61	124.77	253.45
Shares					
Weighted average number of equity shares outstanding during the period for computing basic EPS (B)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
Add: Dilutive effect of employee stock options	-	-	-	-	-
Weighted average shares used for computing diluted EPS (C)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
Basic earnings per share of face value of ₹10 (A/B)	155.33	140.80	156.53	38.10	77.39
Diluted earnings per share of face value of ₹10 (A/C)	155.33	140.80	156.53	38.10	77.39

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 43: Related parties *(₹ in million)*

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
Entities exercising significant influence over the Company	TPG Dodla Dairy Holdings Pte. Ltd. (from 20 July 2017)
	Black River Capital Partners Food Fund Holdings (Singapore) Pte Ltd (from 11 December 2014 till 20 July 2017)
	BR CPF Holdings (Mauritius) Limited (till 11 December 2014)
Subsidiaries (including step down subsidiary)	Dodla Holdings Pte Limited, Singapore (from 20 June 2014)
	Lakeside Dairy Limited, Uganda (from 15 July 2014)
	Dodla Singapore Pte Limited, Singapore (till 24 November 2015)
	Dodla Dairy Kenya Limited (from 24 May 2017)
Associate	Global VetMed Concepts India Private Limited ('GVC') (from 31 March 2016)
	Abyssinia Bharat Food Parks PLC, Ethiopia (till 08 July 2014)
Key management personnel ('KMP')	Mr. Sunil Reddy, Managing Director
	Mr. B.V.K. Reddy, Chief Executive Officer (CEO) (w.e.f. 26 March 2015)
Relatives of KMP	Mr. Sesha Reddy, Father of Mr. Sunil Reddy
	Mrs. Surekha Reddy, Sister of Mr. Sunil Reddy
	Ms. Shilpa Reddy, Daughter of Mr. Sunil Reddy
Enterprise over which KMP have significant influence	Dodla Dairy, Vinjimuru
	Oremus Corporate Services Private Limited (from 15 June 2015)
	D Soft India Private Limited
	Surekha Milk Chilling Centre
	Dodla Engineering, a Partnership Firm
	Global VetMed Concepts Private Limited ('GVC') (till 31 March 2016)
	Tropical Bovine Genetics Private Limited (from 20 November 2017)
	Dodla Nutri Feeds LLP (from 29 June 2017)

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

Transactions

For the year ended	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Lease rent paid					
-Dodla Dairy, Vinjimuru	1.20	1.20	1.20	1.20	1.20
-Surekha Milk Chilling Centre	0.90	0.90	0.90	0.70	0.60
-Dodla Nutri Feeds LLP	0.25	-	-	-	-
Software maintenance expenses					
-D Soft India Private Limited	0.60	0.60	0.60	0.59	0.59
Remuneration paid to Key Managerial Personnel (refer note b)					
- Short-term employee benefits	74.02	42.38	62.23	8.72	24.21
- Post employment benefits	2.14	2.14	2.14	1.21	1.20
Purchase of raw material					
-GVC	9.03	6.24	8.31	2.71	6.57
-Dodla Nutri Feeds LLP	0.22	-	-	-	-
Sale of finished goods, (net of discounts)					
-Mr. Sunil Reddy	-*	0.05	-	0.01	-
-Mrs. Surekha Reddy	-*	0.02	0.02	-	-
Other non-operating income					
-GVC	-	-	-	-	7.58
Expenditure incurred on behalf of					
-GVC	6.77	6.91	20.81	24.33	12.43
-Dodla Singapore Pte Limited, Singapore	-	-	0.33	-	0.27
-Lakeside Dairy Limited, Uganda	1.28	1.57	0.89	-	-
-Dodla Holdings Pte Limited, Singapore	-	-	-	0.02	-
-Dodla Dairy Kenya Limited	0.73	-	-	-	-
Reimbursement of expenses paid to					
- D Soft India Private Limited	-	-	-	0.01	0.02
- Mr. Sunil Reddy	-	-	-	-	0.19
- GVC	-	-	-	-	0.63
Consultancy expense					
-Oremus Corporate Services Private Limited	0.90	1.03	2.68	-	-
-Mr. Sesha Reddy	3.60	3.60	3.60	3.60	3.60
-Ms. Shilpa Reddy	0.60	0.05	-	-	-
Unsecured loans given					
- Mr. Sunil Reddy	-	-	25.00	-	-
- Dodla Engineering	-	-	-	91.50	82.63
Unsecured loans repaid					
- Mr. Sunil Reddy	12.50	-	12.50	-	-
- Dodla Engineering	-	-	-	91.50	82.63
Interest income					
- Mr. Sunil Reddy	0.92	1.13	0.29	-	-
- Dodla Engineering	-	-	-	-	1.13
Investment made in the shares					
- Shares subscribed in Dodla Holdings Pte. Limited, Singapore	-	67.77	65.96	274.11	-
- Shares subscribed in GVC (adjusted from amount receivable)	-	-	38.57	-	-
- Shares of GVC purchased from Mr. Sunil Reddy	-	-	0.10	-	-
- Shares subscribed in Dodla Singapore Pte. Limited, Singapore	-	-	-	-	-*
Investments written off					
- Dodla Singapore Pte. Limited, Singapore	-	-	-	-*	-
Advances written off					
-Dodla Singapore Pte. Limited, Singapore	-	-	0.33	0.27	-
Purchase of goods					
-Tropical Bovine Genetics Private Limited	0.54	-	-	-	-

* Below rounding off norm adopted by the Company. The actual amounts in ₹ terms are:
Sale of finished goods to Mr. Sunil Reddy - ₹ 1,866
Sale of finished goods to Mrs. Surekha Reddy - ₹ 1,140.
Investment made in shares of Dodla Singapore Pte. Limited, Singapore - ₹ 61.
Investments written off in Dodla Singapore Pte. Limited, Singapore - ₹ 61.

Note 43: Related parties (continued) *(₹ in million)*

(iii) Balances with related parties:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Other non-current financial assets					
- GVC - Share application money pending allotment	-	-	-	21.00	21.00
- GVC – Provision for doubtful advances	-	-	-	(21.00)	(21.00)
Loans					
- Mr. Sunil Reddy – Loan to director	-	12.50	12.50	-	-
Other non-current financial assets					
- Excess remuneration recoverable from D Sunil Reddy - managing director	-	-	-	11.54	-
Other current financial assets					
- Mr. Sunil Reddy – Interest accrued	-	0.10	0.10	-	-
Other current and non-current assets					
- GVC - Other advances	55.17	57.55	53.64	55.56	33.95
- GVC – Provision for doubtful advances	(53.64)	(53.64)	(53.64)	(55.56)	(33.95)
- Mr. Sunil Reddy – Advance given against salary, net	-	-	3.48	0.06	-
- Mr. B.V.K. Reddy – Advance given against salary, net	-	7.80	-	0.02	-
- Lakeside Dairy Limited – Other advances	0.59	0.55	0.03	-	-
- Dodla Singapore Pte. Limited, Singapore	-	-	-	-	0.27
- Dodla Engineering	-	-	-	-	1.13
Other financial liabilities and trade payable					
- Oremus Corporate Services Private Limited – Consultancy fees payable	0.08	0.09	0.28	-	-
- Ms. Shilpa Reddy – Consultancy fees payable	-	0.05	-	-	-
- Mr. Sunil Reddy - Remuneration payable, net	0.52	0.84	-	-	0.77
- Mr. B.V.K Reddy - Remuneration payable, net	9.28	-	10.56	-	-

Notes:

a. The borrowings of the Company are secured by personal guarantees given by the director of the Company, Mr. Sunil Reddy as detailed in note 21 and 25.

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 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 ₹ 0.60 (31 March 2017 - ₹ Nil, 31 March 2016 - ₹ Nil, 31 March 2015 - ₹ Nil, 31 March 2014 - ₹ Nil) is also not included in the remuneration disclosed above.

c. During the year 2013-14, the Company has paid share application money pending allotment to Dodla Milk Processing Plc amounting to ₹ 14.74. During the year 2014-15, the Board of directors of the Company has decided to wind up Dodla Milk Processing Plc since it does not intend to pursue the business opportunities in Ethiopia and it stands dissolved on 24 November 2015. Shares of Dodla Milk Processing Plc were not allotted to the Company. Subsequently, the Company had initiated process of settling the dues and repatriating the funds to India and has received ₹13.53, which was deposited in nostro account with Authorised dealer. The Company is required to obtain approval from Reserve Bank of India ('RBI') to utilise these funds. Accordingly, the Company had made necessary application with RBI, who in turn has issued a letter to the Company intimating the contravention made by the Company. The Company has filed the requisite applications to the RBI for compounding of the contraventions. During the current year, RBI has compounded the said offence and accordingly, the Company can now utilise the fund of ₹ 13.53 received from Ethiopia.

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

(₹ in million)

Note 44: Segment reporting

The Company is in the business of processing and selling milk and milk products. The Company's Chief Operating Decision Maker (CODM) reviews the performance of the Company 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 Financial Statements as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

Note 45: Specified Bank Notes ("SBN")

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

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	1.04	2.00	3.04
Add: Permitted receipts#	130.47	1,001.32	1,131.79
Less: Permitted payments	-	6.09	6.09
Less: Amount deposited in banks	131.51	989.93	1,121.44
Closing cash in hand as on 30 December 2016	-	**7.30**	**7.30**

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

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

Note 46: Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. The Management is of the opinion that its domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 47: Details of the loan given under Section 186 of the Companies Act, 2013

Pursuant to a scheme approved by the members by a special resolution in their meeting dated 6 July 2015, the Company, during the financial year 2015-16, has given an unsecured personal loan to the Managing Director, Mr. Sunil Reddy, carrying an interest rate of 9% p.a.

Movement in the balance during the five years are as follows:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Opening	**12.50**	**12.50**	-	-	-
Given during the financial year	-	-	25.00	-	-
Repaid during the financial year	(12.50)	-	(12.50)	-	-
Closing	**-**	**12.50**	**12.50**	-	-

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 48: Financial instruments - fair values and risk management

(₹ in million)

Accounting classification and fair values

As at	31 March 2018		31 March 2017		31 March 2016 Proforma		31 March 2015 Proforma		31 March 2014 Proforma		Fair value level
Financial instruments by category	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	
Financial Assets											
Investments in mutual funds (refer note (a) below)	-	669.59	-	683.54	-	637.10	-	609.72	-	925.60	Level 1
Investment in subsidiary and associates	407.84	-	407.84	-	340.07	-	274.11	-	1.63		
Trade receivables	19.35	-	5.26	-	5.07	-	11.52	-	6.49	-	-
Cash and cash equivalents	110.98	-	69.37	-	91.85	-	110.24	-	428.12	-	-
Bank balances other than above	0.70	-	-	-	-	-	2.41	-	-		
Non-current loans	147.07	-	205.93	-	38.22	-	32.73	-	28.42	-	-
Current loans	67.00	-	12.50	-	12.50	-	-	-	-	-	-
Other non-current financial assets	-	-	0.50	-	-	-	-	-	-	-	-
Other current financial assets	1.63	-	1.39	-	1.30	-	25.58	-	73.43	-	-
Derivatives (refer note (b) below)	-	-	-	4.88	-	11.28	-	11.27	-	12.07	Level 2
Total Financial Assets	**754.57**	**669.59**	**702.79**	**688.42**	**489.01**	**648.38**	**456.59**	**620.99**	**538.09**	**937.67**	
Financial Liabilities											
Borrowings (current and non-current)	1,258.13	-	1,361.41	-	1,091.93	-	1,262.70	-	750.94	-	-
Trade payables	592.52	-	486.38	-	423.53	-	427.37	-	311.55	-	-
Interest accrued but not due on borrowings	2.72	-	4.63	-	5.38	-	3.52	-	2.78	-	-
Capital creditors	33.29	-	24.71	-	15.88	-	12.10	-	11.68	-	-
Security deposits	96.97	-	73.69	-	39.63	-	20.83	-	13.84	-	-
Employee payables	89.24	-	58.19	-	60.61	-	36.84	-	30.18	-	-
Total Financial Liabilities	**2,072.87**	**-**	**2,009.01**	**-**	**1,636.96**	**-**	**1,763.36**	**-**	**1,120.97**	**-**	

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.

(b) The fair valuation of derivative financial assets is classified as level 2 in the fair value hierarchy as they are determined based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Note 48: Financial instruments - fair values and risk management (continued) *(₹ in million)*

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 receivable

Credit risk is managed by Head (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.
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 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

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Expected credit loss - opening	**0.45**	**3.03**	**2.39**	**2.39**	**1.67**
Changes in loss allowance	-	(2.58)	0.64	-	0.72
Expected credit loss - closing	**0.45**	**0.45**	**3.03**	**2.39**	**2.39**

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 central treasury team monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess/ short liquidity is managed in the form of inter corporate deposits.
The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	As at 31 March 2018				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	592.52	592.52	592.52	-	-
Borrowings	1,258.13	1,310.69	1,062.04	109.31	139.34
Other financial liabilities	222.22	222.22	222	-	
	2,072.87	**2,125.43**	**1,876.78**	**109.31**	**139.34**

Particulars	As at 31 March 2017				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	486.38	486.38	486.38	-	-
Borrowings	1,361.41	1,456.67	1,087.00	119.62	250.05
Other financial liabilities	161.22	161.22	161.22	-	-
	2,009.01	**2,104.27**	**1,734.60**	**119.62**	**250.05**

Particulars	As at 31 March 2016 Proforma				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	423.53	423.53	423.53	-	-
Borrowings	1,091.93	1,212.63	809.24	92.84	310.55
Other financial liabilities	121.50	121.50	121.50	-	-
	1,636.96	**1,757.66**	**1,354.27**	**92.84**	**310.55**

Particulars	As at 31 March 2015 Proforma				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	427.37	427.37	427.37	-	-
Borrowings	1,262.70	1,300.17	1,211.98	55.38	32.81
Other financial liabilities	73.29	73.29	73.29	-	-
	1,763.36	**1,800.83**	**1,712.64**	**55.38**	**32.81**

Particulars	As at 31 March 2014 Proforma				
	Carrying value	Total	Less than 1 year	1-2 years	2 years and above
Financial liabilities					
Trade payables	311.55	311.55	311.55	-	-
Borrowings	750.94	799.63	655.78	77.73	66.12
Other financial liabilities	58.48	58.48	58.48	-	-
	1,120.97	**1,169.66**	**1,025.81**	**77.73**	**66.12**

Note 48: Financial instruments - fair values and risk management (continued) *(₹ in million)*
Financial Risk Management (continued)

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

The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which exposes the company to cash flow interest rate risk. The Company also has variable interest deposit receivable which mitigate the interest rate risk on payables.

The exposure of the Company to interest rate changes at the end of the reporting period are as follows:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Variable rate borrowings	1,258.13	1,361.41	1,073.60	1,226.04	695.34
Total	**1,258.13**	**1,361.41**	**1,073.60**	**1,226.04**	**695.34**

At the end of the reporting period, the Company had the following variable rate borrowings :

As at	31 March 2018			31 March 2017		
	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable
Financial Liabilities						
Long term borrowings (including current maturities)	9.70%	315.00	25.04%	9.70%	393.04	28.87%
Current borrowings	7.97%	943.13	74.96%	8.15%	968.37	71.13%
Total		**1,258.13**			**1,361.41**	

As at	31 March 2016 Proforma			31 March 2015 Proforma			31 March 2014 Proforma		
	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable
Financial Liabilities									
Long term borrowings	9.37%	366.33	34.12%	10.79%	93.89	7.66%	10.72%	305.20	43.89%
Current borrowings	8.42%	707.27	65.88%	10.51%	1,132.15	92.34%	10.49%	390.14	56.11%
Total		**1,073.60**			**1,226.04**			**695.34**	

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	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Interest rate - Increases by 50 basis points	(6.29)	(6.81)	(5.37)	(6.13)	(3.48)
Interest rate - Decreases by 50 basis points	6.29	6.81	5.37	6.13	3.48

Currency risk

The Company has majority of its foreign exchange exposure in the form of External commercial borrowings (ECB), payables and advances for purchase of materials and capital goods. The Company has hedged itself against the exchange rate fluctuations in relation to ECB by opting for cross currency interest rate swaps.

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

Particulars	Currency	As at 31 March 2018		As at 31 March 2017	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Cross currency swap and interest rate	USD	-	-	500,000	27.16

Particulars	Currency	As at 31 March 2016 Proforma		As at 31 March 2015 Proforma		As at 31 March 2014 Proforma	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Cross currency swap and interest rate	USD	1,000,000	54.33	1,500,000	81.49	2,000,000	108.65

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

Particulars	Currency	As at 31 March 2018		As at 31 March 2017	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Capital creditors	USD	-	-	35,600	2.31
Cash on hand	USD	508	0.03	-	-

Particulars	Currency	As at 31 March 2016 Proforma		As at 31 March 2015 Proforma		As at 31 March 2014 Proforma	
		Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million	Foreign currency (Absolute figures)	₹ in million
Capital creditors	USD	35,600	2.36	-	-	-	-
Trade payables	EURO	-	-	-	-	689	0.06

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	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Foreign exchange rate - Increases by 5%	-*	(0.12)	(0.12)	-	-*
Foreign exchange rate - Decreases by 5%	-*	0.12	0.12	-	-*

* Below rounding off norm adopted by the Company. The actual amount in ₹ terms are as follows:

Impact on profit after tax	31 March 2018	31 March 2014 Proforma
Foreign exchange rate - Increases by 5%	1,654.000	2,845.00
Foreign exchange rate - Decreases by 5%	(1,654.00)	(2,845.00)

Note 49: Capital management *(₹ in million)*

(a) Risk Management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt.

The Company monitors capital on the basis of the following:

As at	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Total debt	1,258.13	1,361.41	1,091.93	1,262.70	750.94
Total equity	3,428.40	2,903.81	2,445.43	2,033.16	1,907.32
Net debt to equity ratio	**36.70%**	**46.88%**	**44.65%**	**62.11%**	**39.37%**

(b) Dividends

During the year ended 31 March 2016, the Board of Directors in its meeting held on 30 October 2015 declared an interim dividend aggregating to ₹ 25 per share on 3,274,823 paid-up equity shares of ₹ 10 each.

(₹ in million)

Note 50: Business combination

Summary of acquisition

Name and description of the acquisition	Slump purchase of assets from Dr. K Navanthi Reddy	Slump purchase of assets from A-One Milk Products Private Limited
Date of acquisition	31 October 2013	17 December 2015
Primary reason for business combination	The acquisition was made to increase the Company base in these areas through inorganic growth.	The acquisition was made to increase the Company base in these areas through inorganic growth.

Details of the purchase consideration and the net assets acquired are as follows:

Particulars	**Dr. K Navanthi Reddy**	**A-One Milk Products Private Limited**
Assets		
Freehold land	9.73	29.96
Buildings	6.44	44.94
Plant and equipment	9.63	6.50
Net assets taken over (A)	**25.80**	**81.40**
Purchase consideration paid (B)	**25.80**	**81.40**
Goodwill (B-A)	**-**	**-**

Note 51 First-time adoption of Ind AS

The Company has prepared its first financial statements for the year ended 31 March 2018 in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP.
For the preparation of Proforma Ind AS financial statements as at and for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 which were prepared under previous generally accepted accounting principles followed in India (Previous GAAP) and based on the SEBI circular SEBI/HO/ CFD/DIL/CIR/P/2016/47 dated 31 March 2016, following accounting policies/ restatements were made:
i. Ind AS transition adjustments and accounting policy choices as initially adopted on 1 April 2016 were effected from 1 April 2013 for the preparation of Proforma Ind AS financials
ii. Opening balance sheet was restated to recognise all assets and liabilities whose recognition is required by Ind AS; and
iii. All mandatory exceptions and optional exemptions available under Ind AS 101 were analysed on case to case basis for the first-time adoption and restatement adjustments were made accordingly.

This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A.1 Optional exemptions availed

1 Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:
- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

2 Investment in subsidiaries and associates

As permitted by Ind AS 101, the Company has elected to carry all investments in subsidiaries and associates at cost as determined in accordance with Ind AS 27 and Ind AS 28.

3 Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.
The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Note 51 First-time adoption of Ind AS (continued)

Optional exemptions availed and mandatory exceptions (continued)

A.2 Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of biological assets
- Fair valuation of financial instruments carried at FVTPL

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that existed on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 51: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2017 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		2,315.19	-	2,315.19	-	2,315.19
Capital work-in-progress		298.82	-	298.82	-	298.82
Intangible assets		2.83	-	2.83	-	2.83
Biological assets other than bearer plants						
Matured biological assets	D - (ii)	16.11	1.57	17.68	-	17.68
Immatured biological assets		5.87	-	5.87	-	5.87
Financial assets						
Investments		407.84	-	407.84	-	407.84
Loans		205.93	-	205.93	-	205.93
Other financial assets		0.50	-	0.50	-	0.50
Income tax assets		38.52	-	38.52	-	38.52
Other non-current assets		136.68	-	136.68	-	136.68
Total non-current assets		**3,428.29**	**1.57**	**3,429.86**	**-**	**3,429.86**
Current assets						
Inventories		828.18	-	828.18	-	828.18
Financial assets						
Investments	D - (iii)	641.03	42.51	683.54	-	683.54
Trade receivables		5.26	-	5.26	-	5.26
Loans		12.50	-	12.50	-	12.50
Cash and cash equivalents		69.37	-	69.37	-	69.37
Derivatives		4.88	-	4.88	-	4.88
Other financial assets		1.39	-	1.39	-	1.39
Other current assets		273.26	-	273.26	-	273.26
Total current assets		**1,835.87**	**42.51**	**1,878.38**	**-**	**1,878.38**
Total assets		**5,264.16**	**44.08**	**5,308.24**	**-**	**5,308.24**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		32.75	-	32.75	-	32.75
Other equity	C - (i)	2,853.54	20.56	2,874.10	(3.04)	2,871.06
Total equity		**2,886.29**	**20.56**	**2,906.85**	**(3.04)**	**2,903.81**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings		315.00	-	315.00	-	315.00
Deferred tax liabilities (net)	D - (iv)	119.89	10.86	130.75	-	130.75
Government grants	D - (i)	3.26	11.20	14.46	-	14.46
Provisions		88.67	-	88.67	-	88.67
Total non-current liabilities		**526.82**	**22.06**	**548.88**	**-**	**548.88**
Current liabilities						
Financial liabilities						
Borrowings		968.37	-	968.37	-	968.37
Trade payables		486.38	-	486.38	-	486.38
Other financial liabilities		239.26	-	239.26	-	239.26
Government grants	D - (i)	-	1.46	1.46	-	1.46
Provisions		8.38	-	8.38	-	8.38
Current tax liabilities		107.98	-	107.98	3.04	111.02
Other current liabilities		40.68	-	40.68	-	40.68
Total current liabilities		**1,851.05**	**1.46**	**1,852.51**	**3.04**	**1,855.55**
Total liabilities		**2,377.87**	**23.52**	**2,401.39**	**3.04**	**2,404.43**
Total equity and liabilities		**5,264.16**	**44.08**	**5,308.24**	**-**	**5,308.24**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Dodla Dairy Limited

Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 51: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS (continued)

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2016 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		1,585.54	-	1,585.54	-	1,585.54
Capital work-in-progress		351.66	-	351.66	-	351.66
Intangible assets		1.78	-	1.78	-	1.78
Biological assets other than bearer plants						
Matured biological assets		12.89	-	12.89	-	12.89
Immatured biological assets		5.35	-	5.35	-	5.35
Financial assets						
Investments		340.07	-	340.07	-	340.07
Loans		38.22	-	38.22	-	38.22
Other financial assets		-	-	-	-	-
Income tax assets		38.52	-	38.52	-	38.52
Other non-current assets		331.11	-	331.11	-	331.11
Total non-current assets		**2,705.14**	**-**	**2,705.14**	**-**	**2,705.14**
Current assets						
Inventories		891.49	-	891.49	-	891.49
Financial assets						
Investments	D - (iii)	609.79	27.31	637.10	-	637.10
Trade receivables		5.07	-	5.07	-	5.07
Loans		12.50	-	12.50	-	12.50
Cash and cash equivalents		91.85	-	91.85	-	91.85
Derivatives		11.28	-	11.28	-	11.28
Other financial assets		1.30	-	1.30	-	1.30
Other current assets		27.30	-	27.30	-	27.30
Total current assets		**1,650.58**	**27.31**	**1,677.89**	**-**	**1,677.89**
Total assets		**4,355.72**	**27.31**	**4,383.03**	**-**	**4,383.03**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		32.75	-	32.75	-	32.75
Other equity	C - (i)	2,409.20	8.77	2,417.97	(5.29)	2,412.68
Total equity		**2,441.95**	**8.77**	**2,450.72**	**(5.29)**	**2,445.43**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings		323.79	-	323.79	-	323.79
Deferred tax liabilities (net)	D - (iv)	87.00	4.62	91.62	-	91.62
Government grants	D - (i)	3.45	12.46	15.91	-	15.91
Provisions		52.94	-	52.94	-	52.94
Total non-current liabilities		**467.18**	**17.08**	**484.26**	**-**	**484.26**
Current liabilities						
Financial liabilities						
Borrowings		707.27	-	707.27	-	707.27
Trade payables		423.53	-	423.53	-	423.53
Other financial liabilities		182.37	-	182.37	-	182.37
Government grants	D - (i)	-	1.46	1.46	-	1.46
Provisions		5.59	-	5.59	-	5.59
Current tax liabilities		93.93	-	93.93	5.29	99.22
Other current liabilities		33.90	-	33.90	-	33.90
Total current liabilities		**1,446.59**	**1.46**	**1,448.05**	**5.29**	**1,453.34**
Total liabilities		**1,913.77**	**18.54**	**1,932.31**	**5.29**	**1,937.60**
Total equity and liabilities		**4,355.72**	**27.31**	**4,383.03**	**-**	**4,383.03**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 51: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS (continued)

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2015 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		1,244.20	-	1,244.20	-	1,244.20
Capital work-in-progress		35.67	-	35.67	-	35.67
Intangible assets		1.90	-	1.90	-	1.90
Biological assets other than bearer plants						
Matured biological assets	D - (ii)	3.88	1.64	5.52	-	5.52
Immatured biological assets	D - (ii)	9.46	(1.52)	7.94	-	7.94
Financial assets						
Investments		274.11	-	274.11	-	274.11
Loans		32.73	-	32.73	-	32.73
Other non-current assets		234.12	-	234.12	-	234.12
Total non-current assets		**1,836.07**	**0.12**	**1,836.19**	**-**	**1,836.19**
Current assets						
Inventories		1,416.66	-	1,416.66	-	1,416.66
Financial assets						
Investments	D - (iii)	572.22	37.50	609.72	-	609.72
Trade receivables		11.52	-	11.52	-	11.52
Loans		-	-	-	-	-
Cash and cash equivalents		110.24	-	110.24	-	110.24
Bank balances other than above		2.41	-	2.41	-	2.41
Derivatives		11.27	-	11.27	-	11.27
Other financial assets		25.58	-	25.58	-	25.58
Other current assets		55.49	-	55.49	-	55.49
Total current assets		**2,205.39**	**37.50**	**2,242.89**	**-**	**2,242.89**
Total assets		**4,041.46**	**37.62**	**4,079.08**	**-**	**4,079.08**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		32.75	-	32.75	-	32.75
Other equity	C - (i)	2,136.98	24.60	2,161.58	(161.17)	2,000.41
Total equity		**2,169.73**	**24.60**	**2,194.33**	**(161.17)**	**2,033.16**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings		80.92	-	80.92	-	80.92
Deferred tax liabilities (net)	D - (iv)	41.99	13.02	55.01	44.72	99.73
Government grants		3.45	-	3.45	-	3.45
Provisions		38.97	-	38.97	-	38.97
Total non-current liabilities		**165.33**	**13.02**	**178.35**	**44.72**	**223.07**
Current liabilities						
Financial liabilities						
Borrowings		1,132.15	-	1,132.15	-	1,132.15
Trade payables		427.37	-	427.37	-	427.37
Other financial liabilities		122.92	-	122.92	-	122.92
Government grants		0.22	-	0.22	-	0.22
Provisions		4.34	-	4.34	-	4.34
Current tax liabilities		0.25	-	0.25	116.45	116.70
Other current liabilities		19.15	-	19.15	-	19.15
Total current liabilities		**1,706.40**	**-**	**1,706.40**	**116.45**	**1,822.85**
Total liabilities		**1,871.73**	**13.02**	**1,884.75**	**161.17**	**2,045.92**
Total equity and liabilities		**4,041.46**	**37.62**	**4,079.08**	**-**	**4,079.08**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 51: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS (continued)

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

Reconciliation of equity as at 31 March 2014 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		757.78	-	757.78	(12.72)	745.06
Capital work-in-progress		187.36	-	187.36	-	187.36
Intangible assets		2.45	-	2.45	-	2.45
Biological assets other than bearer plants						
Matured biological assets		-	-	-	-	-
Immatured biological assets	D - (ii)	4.42	(0.09)	4.33	-	4.33
Financial assets						
Investments		1.63	-	1.63	-	1.63
Loans		28.42	-	28.42	-	28.42
Income tax assets		10.59	-	10.59	-	10.59
Other non-current assets		251.07	-	251.07	-	251.07
Total non-current assets		**1,243.72**	**(0.09)**	**1,243.63**	**(12.72)**	**1,230.91**
Current assets						
Inventories		482.48	-	482.48	-	482.48
Financial assets						
Investments	D - (iii)	902.32	23.28	925.60	-	925.60
Trade receivables		6.49	-	6.49	-	6.49
Loans		-	-	-	-	-
Cash and cash equivalents		428.12	-	428.12	-	428.12
Derivatives		12.07	-	12.07	-	12.07
Other financial assets		73.43	-	73.43	-	73.43
Other current assets		92.93	-	92.93	(14.33)	78.60
Total current assets		**1,997.84**	**23.28**	**2,021.12**	**(14.33)**	**2,006.79**
Total assets		**3,241.56**	**23.19**	**3,264.75**	**(27.05)**	**3,237.70**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		32.75	-	32.75	-	32.75
Other equity	C - (i)	1,983.62	15.17	1,998.79	(124.22)	1,874.57
Total equity		**2,016.37**	**15.17**	**2,031.54**	**(124.22)**	**1,907.32**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings		126.82	-	126.82	-	126.82
Deferred tax liabilities (net)	D - (iv)	88.46	8.02	96.48	(7.10)	89.38
Government grants		3.67	-	3.67	-	3.67
Provisions		18.44	-	18.44	-	18.44
Total non-current liabilities		**237.39**	**8.02**	**245.41**	**(7.10)**	**238.31**
Current liabilities						
Financial liabilities						
Borrowings		390.14	-	390.14	-	390.14
Trade payables		311.55	-	311.55	-	311.55
Other financial liabilities		292.46	-	292.46	-	292.46
Government grants		0.22	-	0.22	-	0.22
Provisions		2.41	-	2.41	-	2.41
Current tax liabilities		(26.82)	-	(26.82)	104.27	77.45
Other current liabilities		17.84	-	17.84	-	17.84
Total current liabilities		**987.80**	**-**	**987.80**	**104.27**	**1,092.07**
Total liabilities		**1,225.19**	**8.02**	**1,233.21**	**97.17**	**1,330.38**
Total equity and liabilities		**3,241.56**	**23.19**	**3,264.75**	**(27.05)**	**3,237.70**

*Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Note 51: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive income reconciliation from previous GAAP to Ind AS:

Reconciliation of total comprehensive income for the year ended 31 March 2017 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	D - (vi)	14,114.66	(14.82)	14,099.84	-	14,099.84
Other income	D - (i), (ii) & (iii)	45.22	26.23	71.45	-	71.45
Total income		**14,159.88**	**11.41**	**14,171.29**	**-**	**14,171.29**
Expenses						
Cost of materials consumed	D - (ii)	10,959.91	16.24	10,976.15	-	10,976.15
Changes in inventories of finished goods, stock-in-trade and work-in-progress		199.11	-	199.11	-	199.11
Employee benefits expense	D - (ii) & (v)	522.05	(0.02)	522.03	-	522.03
Depreciation and amortisation expense	D - (ii)	189.06	(11.56)	177.50	-	177.50
Finance costs		80.29	-	80.29	(2.25)	78.04
Provision for impairment on live stock	D - (ii)	7.81	(7.81)	-	-	-
Other expenses	D - (ii) & (vi)	1,542.21	(8.02)	1,534.19	-	1,534.19
Total expenses		**13,500.44**	**(11.17)**	**13,489.27**	**(2.25)**	**13,487.02**
Profit before tax		**659.44**	**22.58**	**682.02**	**2.25**	**684.27**
Income tax expense						
-Current tax		182.63	-	182.63	-	182.63
-Deferred tax	D - (iv)	32.89	7.67	40.56	-	40.56
Total tax expense		**215.52**	**7.67**	**223.19**	**-**	**223.19**
Profit for the year (A)		**443.92**	**14.91**	**458.83**	**2.25**	**461.08**
Other comprehensive income	D - (v)					
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		-	(4.13)	(4.13)	-	(4.13)
Income tax relating to these items	D - (iv)	-	1.43	1.43	-	1.43
Other comprehensive income for the year (B)		**-**	**(2.70)**	**(2.70)**	**-**	**(2.70)**
Total comprehensive income for the year (A+B)		**443.92**	**12.21**	**456.13**	**2.25**	**458.38**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2016 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	D - (vi)	11,820.10	(4.46)	11,815.64	-	11,815.64
Other income	D - (i), (ii) & (iii)	56.12	(0.19)	55.93	-	55.93
Total income		**11,876.22**	**(4.65)**	**11,871.57**	**-**	**11,871.57**
Expenses						
Cost of materials consumed	D - (ii)	8,788.40	24.88	8,813.28	-	8,813.28
Purchases of stock-in-trade		27.46	-	27.46	-	27.46
Changes in inventories of finished goods, stock-in-trade and work-in-progress		289.88	-	289.88	-	289.88
Employee benefits expense	D - (ii) & (v)	456.93	4.23	461.16	-	461.16
Depreciation and amortisation expense	D - (ii)	158.73	(8.20)	150.53	-	150.53
Finance costs		121.77	0.02	121.79	(13.62)	108.17
Provision for impairment on live stock	D - (ii)	21.10	(21.10)	-	-	-
Other expenses	D - (ii) & (vi)	1,271.38	2.01	1,273.39	-	1,273.39
Total expenses		**11,135.65**	**1.84**	**11,137.49**	**(13.62)**	**11,123.87**
Profit before tax		**740.57**	**(6.49)**	**734.08**	**13.62**	**747.70**
Income tax expense						
-Current tax		242.25	-	242.25	-	242.25
-Tax for earlier years		142.26	-	142.26	(142.26)	-
-Deferred tax	D - (iv)	0.30	(7.46)	(7.16)	-	(7.16)
Total tax expense		**384.81**	**(7.46)**	**377.35**	**(142.26)**	**235.09**
Profit for the year (A)		**355.76**	**0.97**	**356.73**	**155.88**	**512.61**
Other comprehensive income	D - (v)					
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		-	(2.75)	(2.75)	-	(2.75)
Income tax relating to these items	D - (iv)	-	0.95	0.95	-	0.95
Other comprehensive income for the year (B)		**-**	**(1.80)**	**(1.80)**	**-**	**(1.80)**
Total comprehensive income for the year (A+B)		**355.76**	**(0.83)**	**354.93**	**155.88**	**510.81**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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Annexure VII - Notes to the Restated Standalone Financial Information (continued)

Note 51: First-time adoption of Ind AS (continued)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive income reconciliation from previous GAAP to Ind AS:

Reconciliation of total comprehensive income for the year ended 31 March 2015 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	D - (vi)	10,184.25	(0.88)	10,183.37	-	10,183.37
Other income	D - (ii) & (iii)	61.81	19.36	81.17	-	81.17
Total income		**10,246.06**	**18.48**	**10,264.54**	**-**	**10,264.54**
Expenses						
Cost of materials consumed	D - (ii)	9,229.54	25.88	9,255.42	-	9,255.42
Purchases of stock-in-trade		26.62	-	26.62	-	26.62
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(883.35)	-	(883.35)	-	(883.35)
Employee benefits expense	D - (ii) & (v)	334.09	13.54	347.63	-	347.63
Depreciation and amortisation expense	D - (ii)	127.25	(0.64)	126.61	(12.72)	113.89
Finance costs		75.58	-	75.58	7.20	82.78
Provision for impairment on live stock	D - (ii)	51.94	(51.94)	-	-	-
Other expenses	D - (ii) & (vi)	1,128.48	18.85	1,147.33	(14.33)	1,133.00
Total expenses		**10,090.15**	**5.69**	**10,095.84**	**(19.85)**	**10,075.99**
Profit before tax		**155.91**	**12.79**	**168.70**	**19.85**	**188.55**
Income tax expense						
-Current tax		48.90	-	48.90	5.10	54.00
- MAT credit entitlement		(41.21)	-	(41.21)	41.21	-
-Tax for earlier years		0.12	-	0.12	(0.12)	-
-Deferred tax	D - (iv)	(5.26)	4.43	(0.83)	10.61	9.78
Total tax expense		**2.55**	**4.43**	**6.98**	**56.80**	**63.78**
Profit for the year (A)		**153.36**	**8.36**	**161.72**	**(36.95)**	**124.77**
Other comprehensive income	D - (v)					
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		-	1.64	1.64	-	1.64
Income tax relating to these items	D - (iv)	-	(0.57)	(0.57)	-	(0.57)
Other comprehensive income for the year (B)		**-**	**1.07**	**1.07**	**-**	**1.07**
Total comprehensive income for the year (A+B)		**153.36**	**9.43**	**162.79**	**(36.95)**	**125.84**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2014 *(₹ in million)*

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS Adjustments	Ind AS	Restatement adjustments	Restated Ind AS
Revenue from operations	D - (vi)	8,421.05	(1.86)	8,419.19	-	8,419.19
Other income	D - (ii) & (iii)	66.03	3.18	69.21	-	69.21
Total income		**8,487.08**	**1.32**	**8,488.40**	**-**	**8,488.40**
Expenses						
Cost of materials consumed	D - (ii)	6,333.07	12.00	6,345.07	-	6,345.07
Purchases of stock-in-trade		2.16	-	2.16	-	2.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress		479.73	-	479.73	-	479.73
Employee benefits expense	D - (ii) & (v)	265.32	3.18	268.50	-	268.50
Depreciation and amortisation expense		46.69	-	46.69	1.28	47.97
Finance costs		30.08	-	30.08	6.63	36.71
Provision for impairment on live stock	D - (ii)	13.18	(13.18)	-	-	-
Other expenses	D - (ii) & (vi)	941.86	(0.51)	941.35	(23.48)	917.87
Total expenses		**8,112.09**	**1.49**	**8,113.58**	**(15.57)**	**8,098.01**
Profit before tax		**374.99**	**(0.17)**	**374.82**	**15.57**	**390.39**
Income tax expense						
-Current tax		96.31	-	96.31	31.23	127.54
-Tax for earlier years		1.90	-	1.90	(1.90)	-
-Deferred tax	D - (iv)	1.06	(0.06)	1.00	8.40	9.40
Total tax expense		**99.27**	**(0.06)**	**99.21**	**37.73**	**136.94**
Profit for the year (A)		**275.72**	**(0.11)**	**275.61**	**(22.16)**	**253.45**
Other comprehensive income	D - (v)					
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation		-	1.58	1.58	-	1.58
Income tax relating to these items	D - (iv)	-	(0.55)	(0.55)	-	(0.55)
Other comprehensive income for the year (B)		**-**	**1.03**	**1.03**	**-**	**1.03**
Total comprehensive income for the year (A+B)		**275.72**	**0.92**	**276.64**	**(22.16)**	**254.48**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Note 51: First-time adoption of Ind AS (continued)

C (i): Reconciliation of statement of equity as previously reported under IGAAP and Ind AS

(₹ in million)

Particulars	Notes to first time adoption	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Total equity as per Indian GAAP		**2,886.29**	**2,441.95**	**2,169.73**	**2,016.37**
Government grants recognised as deferred income	D - (i)	(12.66)	(13.92)	-	-
Changes in fair value of biological assets	D - (ii)	1.57	-	0.12	(0.09)
Investment in mutual funds recognised at fair value	D - (iii)	42.51	27.31	37.50	23.28
Deferred tax on above adjustment	D - (iv)	(10.86)	(4.62)	(13.02)	(8.02)
Total equity as per Ind AS		**2,906.85**	**2,450.72**	**2,194.33**	**2,031.54**

C (ii): Reconciliation of statement of profit and loss as previously reported under IGAAP and Ind AS

Particulars	Notes to first time adoption	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Net profit after tax as per IGAAP		**443.92**	**355.76**	**153.36**	**275.72**
Government grants recognised as deferred income	D - (i)	1.68	1.08	-	-
Changes in fair value of biological assets	D - (ii)	1.57	(0.12)	0.21	(0.09)
Investment in mutual funds recognised at fair value	D - (iii)	15.20	(10.19)	14.22	1.50
Deferred tax on above adjustment	D - (iv)	(6.24)	8.40	(5.00)	(0.49)
Remeasurement of the net defined benefit obligation recognised in other comprehensive income		2.70	1.80	(1.07)	(1.03)
Net profit after tax as per Ind AS		**458.83**	**356.73**	**161.72**	**275.61**
Other comprehensive income net of taxes		(2.70)	(1.80)	1.07	1.03
Total comprehensive income as per Ind AS		**456.13**	**354.93**	**162.79**	**276.64**

Note 51: First-time adoption of Ind AS (continued) *(₹ in million)*

D: Notes to reconciliation

(i) Government grant
The Company has received government grant against the capital expenditure incurred. Under the previous GAAP, the aforesaid grant were carried under capital reserve. Under Ind AS, government grant received against depreciable assets shall be credited to the statement of profit and loss over the useful life of the respective assets. The impact as of the date of transition has been adjusted through retained earnings.

(ii) Biological assets
Under the previous GAAP, biological assets were measured at cost. Ind AS requires all biological assets to be measured on each reporting date at their respective fair values with the fair value changes being recognised in the statement of profit and loss. The impact as of the date of transition has been adjusted through retained earnings.

(iii) Investments
Under the previous GAAP, investments in mutual funds were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

(iv) Deferred tax
The deferred tax impact of the above Ind AS adjustments has been considered based on the tax laws.

(v) Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, net of its tax impact. The concept of other comprehensive income did not exist under previous GAAP.

(vi) Sale of goods
Under previous GAAP, scheme based discounts and rebates were grouped under other expenses, however, under Ind AS, these expenses are netted off against sale of goods. There is no impact on the profit or retained earnings of the Company.

Note 52: During the year ended 31 March 2018, no material foreseeable loss (year ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 : Nil) was incurred for any long-term contract including derivative contracts.

for and on behalf of the Board of Directors of
Dodla Dairy Limited
CIN: U15209TG1995PLC020324

D. Sesha Reddy *Chairman* DIN: 00520448	**D. Sunil Reddy** *Managing Director* DIN: 00794889	**B.V.K. Reddy** *Chief Executive Officer*
Place: Hyderabad Date: 17 July 2018	**Hemanth Kundavaram** *Chief Financial Officer* M. No. 216189 (FCA)	**Ruchita Malpani** *Company Secretary* M. No. A32883

Dodla Dairy Limited

Annexure VIII: Restated statement of other income

(₹ in million)

Particulars	Nature (Recurring/ Non-recurring)	For the Year ended				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Interest income						
- on deposits	Recurring	0.03	0.02	0.11	0.81	9.51
- on others	Recurring	3.28	3.23	2.74	4.24	6.75
Amortisation of government grants	Recurring	4.32	1.88	1.30	0.22	0.22
Changes in fair value of biological assets	Recurring	9.82	8.95	8.39	6.25	1.68
Fair value gain on financial assets measured at fair value through profit and loss	Recurring	32.51	26.83	11.57	27.99	16.23
Dividend income from current investments	Recurring	3.90	19.56	23.03	29.49	14.12
Profit on sale of current investments, net	Recurring	0.82	3.73	1.94	5.15	1.38
Gain on account of foreign exchange fluctuations, net	Recurring	0.34	0.35	1.41	-	3.51
Profit on sale of investment in associate	Non-recurring	-	-	-	0.55	-
Other non-operating income	Recurring	8.48	6.90	5.44	6.47	15.81
Total other income*		**63.50**	**71.45**	**55.93**	**81.17**	**69.21**

* Not related to normal business activity.

Annexure IX - Restated statement of dividend paid

(All amounts and number of shares in ₹ millions, except per share data)

Particulars	For the year ended				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Number of fully paid equity shares	3.27	3.27	3.27	3.27	3.27
Equity share capital	32.75	32.75	32.75	32.75	32.75
Face value (₹)	10	10	10	10	10
Rate of dividend %	-	-	250%	-	-
Amount of interim dividend paid	-	-	81.87	-	-
Dividend distribution tax	-	-	16.67	-	-

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to standalone audited financial statements in Annexure V and notes to the Restated Standalone Financial Information in Annexure VII.

Annexure X - Restated statement of capitalisation

(₹ in million)

Particulars	As at 31 March 2018	Post issue (refer note 3 below)
Debt:		
Long term borrowings	222.50	
Short term borrowings	943.13	
Current portion of secured long term borrowings, included in other financial liabilities	92.50	
Total Debt (A)	**1,258.13**	
Shareholders Funds:		
Equity share capital	32.75	
Other equity		
Capital redemption reserve	12.00	
Securities premium	1,092.25	
Retained earnings	2,290.80	
Share options outstanding account	0.60	
Total Shareholders Funds (B)	**3,428.40**	
Total Debt/ Shareholder Funds (A/B)	**0.37**	

Note 1 : The Board of Directors of the Company in their meeting held on 13 July 2018 have proposed for the issuance of Bonus shares in the ratio of 16:1 to the existing shareholders of the Company. The proposal of the Board of Directors was approved by the Shareholders of the Company in their Annual General Meeting held on 17 July 2018. The effect of post balance sheet adjustment has not been considered above.

Note 2 : To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to standalone audited financial statements in Annexure V and notes to the Restated Standalone Financial Information in Annexure VII.

Note 3 : The corresponding post issue capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Dodla Dairy Limited

Annexure XI - Restated Statement of Accounting Ratios

(All amounts and number of shares in ₹ millions, except per share data)

Particulars	For the year ended				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
Net worth as at the year end (refer note 4 below) (A)	3,428.40	2,903.81	2,445.43	2,033.16	1,907.32
Profit attributable to the equity shareholders (B)	508.69	461.08	512.61	124.77	253.45
Weighted average number of basic equity shares outstanding during the period					
For basic earnings per share (C)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
For diluted earnings per share (D)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
Earning per share ₹ 10 each (refer note 3 below)					
Basic (₹) (E = B/C)	155.33	140.80	156.53	38.10	77.39
Diluted (₹) (F = B/D)	155.33	140.80	156.53	38.10	77.39
Return on net worth (%) (G = B/A)	14.84%	15.88%	20.96%	6.14%	13.29%
Number of equity shares outstanding at the end of the year (H)	3,274,823	3,274,823	3,274,823	3,274,823	3,274,823
Net assets value per share of ₹ 10 each (I = A/H)	1,046.90	886.71	746.74	620.85	582.42
Face value (₹)	10	10	10	10	10

Notes:

1. The above ratios are calculated as under:

a) Basic earnings per share = Profit attributable to equity shareholders / weighted average number of shares outstanding during the year.

b) Diluted earnings per share = Profit attributable to equity shareholders / weighted average number of diluted potential shares outstanding during the year.

c) Return on net worth (%) = Profit attributable to equity shareholders / net worth as at the end of year.

d) Net asset value (Rs) = Net worth as at the end of year / number of equity shares as at the end of year.

2. The figures disclosed above are based on the Restated Standalone Financial Information of Dodla Dairy Limited.

3. Earning per shares (EPS) calculation is in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per share" prescribed by the Companies (Indian Accounting Standards) Rules, 2015.

4. Net worth for ratios mentioned above represents the aggregate of the paid up share capital and other equity (including capital redemption reserve, securities premium, general reserve, share option outstanding account and retained earnings).

5. Proforma accounting ratio disclosure:

The Board of Directors of the Company in their meeting held on 13 July 2018 have proposed for the issuance of Bonus shares in the ratio of 16:1 to the existing shareholders of the Company. The proposal of the Board of Directors was approved by the shareholders of the Company in their Annual General Meeting held on 17 July 2018.

The impact of the above post balance sheet adjustment to equity share capital on the accounting ratios has been provided below:

Computation of proforma equity shares:

Particulars	No. of equity shares
Number of equity shares outstanding as on 31 March 2018	3,274,823
Add: Bonus equity shares issued in the ratio of 16:1 to the existing shareholders	52,397,168
Proforma number of basic and diluted equity shares outstanding after impacting the above post balance sheet adjustment (J)	**55,671,991**

Particulars	For the year ended				
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Proforma net assets value per share of ₹ 10 each based on the equity shares outstanding, after impacting the post balance sheet adjustment (₹) (K = A/J)	61.58	52.16	43.93	36.52	34.26
Proforma basic earnings per share of ₹ 10 each, after impacting the post balance sheet adjustment (₹) (L = B/J)	9.14	8.28	9.21	2.24	4.55
Proforma diluted earnings per share of ₹ 10 each, after impacting the post balance sheet adjustment (₹) (M = B/J)	9.14	8.28	9.21	2.24	4.55

Note: To be read together with summary of significant accounting policies in Annexure VI, impact of adjustments to standalone audited financial statements in Annexure V and notes to the Restated Standalone Financial Information in Annexure VII.

Dodla Dairy Limited

Annexure XII - Restated statement of tax shelter

(₹ in million)

	Particulars	For the year ended				
		31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015 Proforma	31 March 2014 Proforma
A	**Profit before tax, as restated**	**755.55**	**684.27**	**747.70**	**188.55**	**390.39**
B	**Tax rates (including surcharge and education cess)**					
	Tax rate - Normal - B(i)	34.61%	34.61%	34.61%	33.99%	33.99%
	Tax rate for Long term capital gain - B(ii)	-	23.07%	-	-	-
C	**Permanent differences**					
	Dividend income	(3.90)	(19.56)	(23.03)	(29.49)	(14.12)
	Income exempt under the Income tax Act 1961	(12.94)	-	-	-	-
	Income exempt under Section 80 IB of the Income tax Act 1961	(20.67)	(13.90)	(61.56)	-	-
	Long term capital gain - exempt income	-	-	-	-	(14.76)
	Long term capital gain taxable at special income tax rates - to be treated separately	(17.39)	(10.89)	-	-	-
	Short term capital gain taxable at normal income tax rates - to be treated separately	(9.18)	(4.06)	(23.16)	(20.59)	(1.35)
	Interest income to be treated separately	(0.03)	(0.02)	(0.38)	(5.05)	(16.26)
	Other permanent differences (net)	12.64	4.10	16.15	37.82	32.14
	Total permanent differences	**(51.47)**	**(44.33)**	**(91.98)**	**(17.31)**	**(14.35)**
D	**Timing differences**					
	Difference between book depreciation and tax depreciation	(203.45)	(130.55)	(23.75)	(57.93)	(31.57)
	Fair value changes in mutual funds	(6.59)	(15.20)	10.20	(14.47)	(1.53)
	Provision for employee benefit	14.91	38.69	22.60	28.33	10.74
	Provision for doubtful debts and advances	0.20	(2.57)	2.83	23.12	(3.59)
	Others	(6.39)	(7.57)	8.81	(17.07)	7.53
	Total timing differences	**(201.32)**	**(117.20)**	**20.69**	**(38.02)**	**(18.42)**
E	**Total net adjustments (C+D)**	**(252.79)**	**(161.53)**	**(71.29)**	**(55.33)**	**(32.77)**
F	**Business Income taxable at normal income tax rates (A + E)**	502.76	522.74	676.41	133.22	357.62
G	**Income under head Capital Gain**					
	Long term capital gain taxable at special income tax rates	-	1.27	-	-	-
	Short term capital gain taxable at normal income tax rates	9.18	4.06	23.16	20.59	1.35
H	**Income under head Other Sources**					
	Others	0.03	0.02	0.38	5.05	16.26
I	**Total taxable income (F+G+H)**	**511.97**	**528.09**	**699.95**	**158.86**	**375.23**
J	**Income taxable at normal income tax rates**	511.97	526.82	699.95	158.86	375.23
K	**Long term capital gain taxable at special income tax rates**	-	1.27	-	-	-
L	**Tax on (including surcharge and cess)**					
	Normal profits - at normal income tax rates (B(i) * J)	177.19	182.33	242.25	54.00	127.54
	Long term capital gains - at special tax rates (B(ii) * K)	-	0.30	-	-	-
	Provision for current tax as per books of accounts	177.19	182.63	242.25	54.00	127.54

Notes:

1. The aforesaid tax shelter has been prepared as per the Restated Standalone Statement of Profit and Loss of the Company.
2. The permanent/timing differences have been computed considering the income-tax computation prepared at the time of preparation of financial statements for the relevant years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the Fiscals ended March 31, 2018, 2017 and 2016. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Information and the sections entitled "Summary of Financial Information" and "Financial Statements" on pages 52 and 184, respectively. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 14. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 13. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Information.

Our fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

Overview

We are an integrated dairy company based in south India deriving all of our consolidated revenues for Fiscal 2018 from the sale of milk and dairy based VAPs in the branded consumer market. Amongst private dairy players with a significant presence in the southern region, we are the third highest in terms of milk procurement *(Source: CRISIL Report)* with an average procurement of 1.00 million litres of raw milk per day as of May 31, 2018 ("**MLPD**") and second highest in terms of market presence amongst private dairies *(Source: CRISIL Report)*. Our operations in India are primarily across the four South Indian states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. Our international operations are based in Uganda and Kenya. Our Indian and international operations are undertaken under our brands "Dodla Dairy" and "Dairy Top" respectively. We process and retail milk (full cream, standardised, toned and double toned) and produce dairy based value added products ("**VAPs**") such as curd, ultra-high temperature processing ("**UHT**") milk, ghee, butter, flavoured milk and ice cream amongst others. Our revenues from sale of milk and dairy based VAPs constituted 68.41% and 31.59% of our consolidated revenues in Fiscal 2018 respectively.

Our integrated business model in India consists of procurement, processing, distribution and marketing operations. Our procurement operations are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka and consist of an average procurement of 1.00 million MLPD as of May 31, 2018 from approximately 220,789 farmers through 3,212 procurement agents including third party suppliers across 7,598 villages and through our own Dodla Dairy Collection Centres ("**DDCCs**") as of May 31, 2018. The raw milk collected is then transported to our chilling centres and thereafter to our processing plants. Our chilling centres are strategically placed in close proximity to our raw milk procurement locations in order to maintain the freshness of the raw milk. Our total average raw milk procurement increased from 0.62 MLPD in Fiscal 2014 to 1.02 MLPD in Fiscal 2018. As of May 31, 2018 our procurement operations consisted of 3,717 DDCCs, 3,212 procurement agents and 78 chilling centres. The number of our DDCCs has consistently increased from 322 to 3,544 from March 31, 2014 to March 31, 2018 respectively.

Our processing operations consist of processing of the raw milk collected into packaged milk and manufacturing of other dairy based VAPs by 11 processing plants with an aggregate installed capacity of 1.29 MLPD. Our aggregate installed capacity has increased from 0.57 MLPD in Fiscal 2014 to 1.29 MLPD in Fiscal 2018. Further, we intend to commence operations at our 12th plant near Rajahmundry, Andhra Pradesh in 2019. Our distribution and marketing operations consist of distribution of our milk and dairy based VAPs through 14 sales offices, 3,329 distribution agents, 379 milk distributors and 466 milk product distributors across nine states in India. Additionally, as of May 31, 2018, our milk and dairy based VAPs are also available through 217 "Dodla Retail Parlors" which commenced operations in 2016 and are spread across the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. Our processing plants are in close proximity to our milk procurement operations and our target market which enables us to optimise transportation and raw milk handling costs. For further details on our processing plants, see "*Our Business – Our Facilities*" on page 142.

We commenced our African operations in Fiscal 2015 with the acquisition of the operations of Hillside Dairy and Agriculture Ltd. through our Subsidiary Lakeside Dairy Ltd. For our international operations, we procure raw milk from cooperative societies and follow a similar integrated business model as our India operations. Packaged milk and dairy based VAPs for retail are produced from our processing plant in Uganda and are distributed in Uganda and Kenya. Our distribution operations in Uganda are conducted through our African Subsidiary Lakeside Dairy Ltd. and include distribution of our milk and dairy based VAPs as of May 31, 2018 through 21 distributors and four distribution agents. Our distribution operations in Kenya are conducted through our African Subsidiary Dodla Dairy Kenya Limited and include distribution of our milk and dairy based VAPs as of May 31, 2018 through 107 distribution agents and 34 distributors.

We place significant emphasis on quality control across our integrated business model and have obtained several quality control certifications and registrations for our operations. The raw milk procured by us is tested by electronic milk analysers which tests for the fat and solid not fat (SNF) content of the raw milk and undergo further tests during the procurement stage. Our milk and dairy based VAPs have received certifications from the FSSAI. Some of our processing plants are ISO 22000:2005 certified for food management system and ISO 50001:2011certified for energy management system. Our Nellore processing plant is export

inspection certified and BIS certified for SMP. Our processing plants situated at Nellore and Hyderabad, for producing ghee, are AGMARK registered and our plant at Nellore for production of milk powder, holds a BIS certification. Further, our processing plant in Uganda has obtained various quality certifications including, *inter alia*, Uganda National Bureau of Standards ("**UNBS**") permits for producing ghee, plain yogurt, strawberry yogurt, UHT milk and vanilla.

Our Company is promoted by Dodla Sesha Reddy and Dodla Sunil Reddy, who each have over 20 years of experience in dairy industry which have been instrumental in the growth of our Company. Further our CEO, Venkat Krishna Reddy Busireddy, has over 33 years of experience in the dairy industry. We have also been awarded a number of industry awards including the HMTV Business Excellence Award, 2017. For further details see "*History and Certain Corporate Matters*" on page 157. The RISE Fund, which is a social impact fund of TPG Growth, through TPG Dodla Dairy Holdigs Pte. Ltd. is invested in our Company. APIDC-Venture Capital and BR CPF (Mauritius) Limited were our shareholders in the past.

Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

Availability of large quantities of raw milk at viable prices

Our Indian operations are dependent on the supply of large amounts of raw milk, which is the primary raw material used in the manufacture of all our dairy products. As of May 31, 2018, our supply chain network consisted of an average procurement of 1.00 MLPD from approximately 220,789 farmers through 3,212 procurement agents including third party suppliers across 7,598 villages and through our own Dodla Dairy Collection Centres ("**DDCCs**") as of May 31, 2018. Our average daily milk procurement for the Fiscal 2018, 2017 and 2016 was approximately 1.02 MLPD, 0.94 MLPD and 0.79 MLPD, respectively. We do not have any formal arrangements with farmers and therefore they are not obligated to supply their milk to us. Our ability to operate our production facilities at optimal capacities is dependent on adequate and timely supply of raw milk.

The availability and price of raw milk is subject to a number of factors beyond our control including seasonal factors, environmental factors, general health of cattle in the regions in which we operate and Government policies and regulations. For instance, the volume and quality of milk produced by cows and buffalos is dependent upon the quality of nourishment provided by the cattle feed which in turn is dependent on the weather conditions. Also, any disease or epidemic affecting the health of cows and buffalos in India, especially within our procurement regions, could significantly affect our ability to procure adequate amount of raw milk. Further, availability of raw milk is linked to the policies of the Government or the respective State Governments where our operations are based, including those affecting the use or ownership of agricultural land or the dairy industry in general.

Seasonality of business

The supply of raw milk is subject to seasonal factors. Cows and buffalos generally produce more milk in temperate weather, and extreme cold or hot weather could lead to lower than expected production. Our raw milk procurement and production is therefore higher in the second half of the financial year during the winter months with temperate climate in our milk procurement region. In contrast, the demand for our products such as curd is higher in the first half of the financial year during summer months and the demand for *ghee* is higher during festive seasons. As a result, comparisons of our sales and operating results over different quarterly periods during the same financial year may not necessarily be meaningful.

Dependence on third parties for distribution of our products

We sell our products to retail customers through 14 sales offices, 3,329 distribution agents, 379 milk distributors and 466 milk product distributors as of May 31, 2018. Additionally, as of May 31, 2018, our products are also available through 217 "Dodla Retail Parlors". Our distribution operations in Uganda are conducted through our African Subsidiary Lakeside Dairy Ltd. and includes distribution of our products through 21 distributors and four distribution agents as of May 31, 2018. Our distribution operations in Kenya are conducted through our African Subsidiary Dodla Dairy Kenya Limited and includes distribution of our products through 107 distribution agents and 34 distributors as of May 31, 2018.

We constantly seek to grow our product reach to under-penetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our distribution network. Our success is dependent on our ability to successfully appoint new distributors to expand our network and effectively manage our existing distribution network. Further, we may also face disruptions in the delivery of our products for reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries.

Competition

The dairy products industry in India is highly competitive, especially the markets for pasteurized milk, UHT milk, flavoured milk, curd and ice cream. These products are experiencing rapid development and increasing competition. We currently compete, and in the future will continue to compete, with large multinational companies as well as regional and local companies and dairy co-operatives in each of the regions in which we operate. We compete not only with widely advertised and established branded products, but also with non-premium dairy producers as well as private and economy brand products that are generally sold at lower prices. Many of our competitors may have substantially greater financial and other resources and may be better established with greater brand recognition than us.

The expansion of our retail consumer business in existing and new markets is dependent on our ability to introduce distinctive brands, packaging and products that differentiate us from our competitors. Some of our competitors have used, and we expect them to continue to use, greater amounts of incentives and subsidies for distributors and retailers and more advanced processes and technologies. In addition, significant increase in advertising expenditures and promotional activities by our competitors may require us to similarly increase our marketing expenditure for our growing retail consumer business and engage in effective pricing strategies.

Changing consumer preferences

The dairy industry in India is evolving and consumers may be tempted to shift their choices and preferences when new products are launched or various marketing and pricing campaigns of different brands are introduced. Our future growth depends on our ability to continue to increase our revenues and margins from our dairy based value added products ("**VAPs**"). While we believe our current VAPs are in line with changing consumer preferences, our growth would be dependent on our ability to respond to such changing consumer preferences more effectively and successfully. The success of our VAPs depend on our ability to accurately anticipate the tastes and dietary habits of consumers and to offer products that appeal to their preferences and fall within a price range acceptable to them.

Tax incentives

We are currently entitled to certain governmental tax incentives. These incentives are available to our Company under sections 32, 32AD and 80IB of the Income Tax Act. Under section 32AD of the Income Tax Act, we will be entitled to claim a deduction of a sum equal to fifteen per cent of the actual cost of assets acquired and installed during the year if we set up a processing plant and acquire and install any new asset for the purpose of the processing plant in a backward area notified by the GoI (which currently includes the state of Telangana and Andhra Pradesh) between April 1, 2015 and April 1, 2020. Under section 32 of the Income Tax Act, we are entitled to an additional depreciation for any new plant and machinery installed after March 31, 2015 in such backward areas. Under section 80IB of the Income Tax Act, we are entitled to claim a deduction with respect to our processing plants deriving profit from the business of processing, preservation and packaging of dairy products. The amount of deduction available is 100% of the profits and gains derived from such processing plants, for first five years and 30% of the profits and gains for next five years, in such a manner that total period of deduction does not exceed ten consecutive years. Any changes in the tax measures may have an impact on our revenues and profitability.

Our Critical Accounting Policies (as per our consolidated Ind AS financial statements)

Basis of consolidation

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 deconsolidated 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 of 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.

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.

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.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost 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 and joint ventures 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.

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.

Subsidiaries and associate companies considered in the consolidated financial statements:

Name of the Company	Country of incorporation	Ownership interest (in %)				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Subsidiary companies:						
Dodla Holdings Pte Limited	Singapore	100.00	100.00	100.00	100.00	-
Lakeside Dairy Limited	Uganda	100.00	100.00	100.00	100.00	-
Dodla Dairy Kenya Limited	Kenya	80.00	-	-	-	-
Dodla Singapore Pte Limited	Singapore	-	-	-	-	100.00
Associates:						
Global VetMed Concepts Private Limited	India	47.94	47.94	47.94	-	-
Abyssinia Bharat Food Parks PLC	Ethiopia	-	-	-	-	34.02

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 intercompany transactions.

Significant Accounting Policies

(a) Property, plant and equipment

(1) ***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, duties, 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.

(2) ***Transition to Ind AS***

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as on 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 53).

(3) ***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.

(4) ***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	Useful life prescribed under Schedule II
Laboratory equipment	3 years	10 years
Temporary Structures	1 years	3 years

Freehold land is not depreciated.

**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.*

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.

(5) ***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) 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".

(c) Impairment

(1) ***Financial assets***

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

*(2) **Non -financial assets***

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment 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, 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.

(d) 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.

(e) Revenue recognition

Revenue from sale of goods is recognised, when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from the sale of goods and sale of scrap is measured at the fair value of the consideration received or receivable, exclusive of sales tax and net of sales return, trade discounts and volume rebates.

Revenue from service rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the reporting date, based on the terms and conditions of the relevant agreement.

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.

(f) Earnings per share

Basic Earnings Per Share ('EPS') 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 year, 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. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(g) Foreign currencies

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 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.

(h) Government grants

Grants from the government are recognised 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 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.

(i) Income tax

Income tax 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.

(1) ***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.

(2) ***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.

(j) Borrowing costs

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.

(k) Provisions and contingent liabilities

(1) ***General***

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.

(2) ***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.

(3) ***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.

(l) Employee benefits

(1) ***Short-term employee benefits***

Short-term employee benefit obligations 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.

(2) ***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.

(3) ***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 benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(4) ***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.

(5) ***Other long-term employee benefits***

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

(m) 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 purpose of cash flow statement. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(n) 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.

(o) Recent accounting pronouncements

Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

1. Ind AS 115 - Revenue from Contracts with Customers
2. Ind AS 21 - The effect of changes in Foreign Exchange rates

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company has completed an initial assessment of the potential impact of the amendment on the financial statements. There is no material impact of adoption of clarification on the financial statements.

Principal Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our Restated Consolidated Financial Information.

Our Income

Revenue from Operations

Our revenue from operations primarily consists of sale of goods which consists of sale of finished goods and sale of traded goods.

Sale of finished goods consists of sale of processed milk and our dairy based VAPs. Sale of traded goods consists of (i) sale of UHT milk which was manufactured on our behalf by third party manufacturers and sold by us for our Indian operations till fiscal 2016; (ii) sale of processed milk and our dairy based value added products by DDKL to it's customers; (iii) sale of services which consists of conversion service charges for SMP; and (iv) other operating income which consists of sale of scrap of film, cans, crates and other plastic items.

Other Income

The key components of our other income are fair value gain on financial assets measured at fair value through profit and loss, changes in fair value of biological assets, amortization of government grant etc.

Our Expenditure

Our expenses primarily consist of the following:

- *Cost of materials consumed* primarily consists of purchase of raw milk, SMP, flavor and packing materials etc;
- *Purchases of stock-in-trade* consists of purchase of UHT milk which was manufactured on our behalf by third party manufacturers and sold by us for our Indian operations till fiscal 2016.
- *Changes in inventories of finished goods, stock-in-trade and work-in-progress* are an adjustment of the opening and closing stock of finished goods, work-in-progress and stock-in-trade at the end of the fiscal;
- *Employee benefit expense* consists of salary, wages and bonus, employee share based payment expenses, contribution to provident and other funds, expenses related to post-employment defined benefit plans and staff welfare expenses;
- *Depreciation and amortisation expense* comprises of depreciation expenses for all existing and new property, plant and equipment added during the year. Amortisation expenses primarily includes amortisation of software licenses;
- *Finance costs* includes interest expense on loan from banks, other interest costs and other borrowing costs; and
- *Other expenses* primarily includes expenses on power and fuel, consumption of stores and spares, freight inward and handling, repairs and maintenance, travelling and conveyance, rates and taxes, insurance, legal and professional charges, rent, security expenses, distribution expenses, sales promotion expenses, advertisement and freight and forwarding etc.

Our Income Tax Expenses

Elements of our income tax expenses are as follows:

- *Current tax:* Our current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

- *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.

Other Comprehensive Income

The other comprehensive income consists of (i) all the items of income and expense that will be reclassified subsequently to the statement of profit or loss which consists of foreign currency translation reserves; and (ii) items that will not be reclassified subsequently to the statement of profit or loss which consists of remeasurement of the net defined benefit obligation and income tax relating to items.

Total Comprehensive Income for the period

Total comprehensive income for the year consists of profit for the year and total other comprehensive income.

Our Results of Operations

The following table sets forth a breakdown of our restated consolidated results of operations for fiscal 2018, fiscal 2017 and fiscal 2016 and each item as a percentage of our total income for the periods indicated.

Particulars	Fiscal 2018		Fiscal 2017		Fiscal 2016 (Proforma)	
	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income	₹ in million	(%) of Total Income
Revenue from operations	15,904.75	99.59	14,400.44	99.49	12,009.01	99.50
Other income	65.38	0.41	73.26	0.51	60.06	0.50
Total income	**15,970.13**	**100.00**	**14,473.70**	**100.00**	**12,069.07**	**100.00**
Expenses						
Cost of materials consumed	12,744.26	79.80	11,155.78	77.08	8,925.43	73.95
Purchases of stock-in-trade	-	-	-	-	27.46	0.23
Change in inventories of finished goods, stock in trade and work in progress	(427.22)	(2.68)	198.53	1.37	284.50	2.36
Employee benefit expense	649.79	4.07	549.93	3.80	489.14	4.05
Depreciation and amortisation expense	268.56	1.68	190.35	1.31	159.47	1.32
Finance cost	99.70	0.62	78.04	0.54	108.17	0.90
Other expenses	1,824.28	11.42	1,620.54	11.20	1,323.68	10.97
Total expenses	**15,159.37**	**94.92**	**13,793.17**	**95.30**	**11,317.85**	**93.78**
Profit before tax	**810.76**	**5.08**	**680.53**	**4.70**	**751.22**	**6.22**
Income tax expense						
(i) Current tax	186.04	1.17	184.27	1.27	242.25	2.01
(ii) Deferred tax	81.37	0.51	30.95	0.22	(19.34)	(0.16)
Total tax expense	**267.41**	**1.68**	**215.22**	**1.49**	**222.91**	**1.85**
Profit for the year (A)	**543.35**	**3.40**	**465.31**	**3.21**	**528.31**	**4.37**
Other Comprehensive Income						
Items that will be reclassified subsequently to the statement of profit or loss						
Foreign currency translation reserve	(2.78)	(0.02)	(32.77)	(0.23)	(13.50)	(0.11)
Items that will not be reclassified subsequently to the statement of profit or loss						
Remeasurement of the net defined benefit obligation	23.40	0.15	(4.13)	(0.03)	(2.75)	(0.02)
Income tax relating to these items	(8.10)	(0.05)	1.43	0.01	0.95	0.01
Other comprehensive income for the year (B)	**12.52**	**0.08**	**(35.47)**	**(0.25)**	**(15.30)**	**(0.12)**
Total comprehensive income for the year (A) + (B)	**555.87**	**3.48**	**429.84**	**2.96**	**513.01**	**4.25**

Fiscal 2018 compared to Fiscal 2017

Total income: We had total income of ₹15,970.13 million in fiscal 2018, an increase of 10.34% over our total income of ₹14,473.70 million in fiscal 2017. This increase was mainly due to the following:

- *Revenue from operations:* Our revenue from operations increased by 10.45% from ₹14,400.44 million in fiscal 2017 to ₹15,904.75 million in fiscal 2018. This increase was primarily due to the following factors:

    - Our revenue from sale of finished goods increased by 9.40% from ₹14,393.32 million in fiscal 2017 to ₹15,746.54 million in fiscal 2018. The following is a region and product wise break up of our revenue from sale of finished goods:

        India

        Our revenue from sale of finished goods increased by 8.99% from ₹14,092.84 million in fiscal 2017 to ₹15,359.62 million in fiscal 2018. This increase was due to the following:

        - Our revenue from sale of processed milk increased by 15.35% from ₹9,423.91 million in fiscal 2017 to ₹10,870.70 million in fiscal 2018. This was primarily due to an increase in (i) production due to operations commencing in the new processing plant in Hyderabad; (ii) sales volume driven by our existing distributors and distribution agents; (iii) the number of Dodla Retail Parlors from 166 as of March 31, 2017 to 192 as of March 31, 2018; (iv) the number of locations to which our milk was sold; and (vii) the average sales price of processed milk; and

        - Our revenue from sale of dairy based VAPs decreased by 3.86% from ₹4,668.93 million in fiscal 2017 to ₹4,488.92 million in fiscal 2018. This was primarily due to a decrease in sales of ghee by 32.30% from ₹1,171.40 million in fiscal 2017 to ₹793.00 million in fiscal 2018, butter by 20.50% from ₹322.88 million in fiscal 2017 to ₹256.70 million in fiscal 2018 and SMP by 64.02% from 262.69 million in fiscal 2017 to ₹94.51 million in fiscal 2018 as (i) ghee prices and butter prices increased due to the implementation of the goods and service tax; and (ii) withdrawal of SMP from the Kolkata market due to decline in the prices of SMP globally. Our revenue from sale of curd increased by 13.54% from ₹2,670.56 million in fiscal 2017 to ₹3,032.19 million in fiscal 2018.

        The increase in revenue is also due to an increase in the number of distributors and distribution agents to whom our products are sold from 3,263 as of March 31, 2017 to 3,873 as of March 31, 2018 and an increase in the number of Dodla Retail Parlors from 166 as of March 31, 2017 to 192 as of March 31, 2018.

        Africa

        Our revenue from sale of finished goods increased by 28.77% from ₹300.48 million in fiscal 2017 to ₹386.92 million in fiscal 2018. This increase was primarily due to an increase in the sales of extended shelf life milk by 34.60% from ₹222.86 in fiscal 2017 to ₹299.98 million in fiscal 2018 and flavored curd (yogurt) by 29.01% from ₹69.38 million in fiscal 2017 to ₹89.51 million in fiscal 2018.

- *Other income:* Our other income decreased by 10.76% from ₹73.26 million in fiscal 2017 to ₹65.38 in fiscal 2018. This decrease was primarily due to a decrease in dividend income from current investment from ₹19.56 million in fiscal 2017 to ₹3.90 million in fiscal 2018 which was partially offset by an increase in fair value gain on financial assets measured at fair value through profit and loss from ₹26.83 million in fiscal 2017 to ₹32.51 million in fiscal 2018.

Total expenses: Our total expenses was ₹15,159.37 million in fiscal 2018, an increase of 9.90% over our total expenses of ₹13,793.17 million in fiscal 2017. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed totaled to ₹12,744.26 million in fiscal 2018, an increase of 14.24% over ₹11,155.78 million in fiscal 2017. The increase was due to an increase in the (i) production of processed milk and dairy based value added products; (ii) price of procurement of raw milk; and (iii) cost of packing materials.

- *Change in inventories of finished goods, stock-in-trade and work-in-progress:* Change in inventories of finished goods, stock-in-trade and work-in-progress was a decrease of ₹427.22 million in fiscal 2018, as compared to an increase of ₹198.53 million in fiscal 2017. This was primarily due to a build up of inventory of ghee and butter as the prices increased with the implementation of the goods and services tax. Therefore the sales of ghee and butter declined.

- *Employee benefit expense*: Our employee benefit expense totaled ₹649.79 million in fiscal 2018, an increase of 18.16% over ₹549.93 million in fiscal 2017. This increase was primarily due to a 16.91% increase in salaries, wages and bonus

from ₹494.83 million in fiscal 2017 to ₹578.50 million in fiscal 2018. This was due to an increase in employees in the corresponding period primarily due to the commencement of operations of the Hyderabad processing plant and a revision in salaries, wages and bonus.

- *Depreciation and amortisation expense*: Our depreciation and amortisation expenses totaled ₹268.56 million in fiscal 2018, an increase of 41.09% over depreciation and amortisation expenses of ₹190.35 million in fiscal 2017. This increase was primarily due to an increase in our property, plant and equipment base consequent to commencement of operations of our Hyderabad processing plant, establishment of new chilling centres and purchase of GPRS enabled milk analysers.

- *Finance cost*: Our finance cost totaled ₹99.70 million in fiscal 2018, an increase of 27.75% over our finance cost of ₹78.04 million in fiscal 2017. This increase was primarily due to an increase in interest expense on loan from banks from ₹72.87 million in fiscal 2017 to ₹98.45 million in fiscal 2018. This was primarily due to the increase in interest on our term loans due to the commissioning of our Hyderabad processing plant and an increase in the average working capital loans.

- *Other expenses:* Our other expenses totaled ₹1,824.28 million in fiscal 2018, an increase of 12.57% over other expenses of ₹1,620.54 million in fiscal 2017. This increase was primarily due to an increase in (i) distribution expenses from ₹349.33 million in fiscal 2017 to ₹440.55 million in fiscal 2018; (ii) freight inward and handling from ₹353.06 million in fiscal 2017 to ₹397.89 million in fiscal 2018; (iii) power and fuel from ₹235.46 million in fiscal 2017 to ₹279.08 million in fiscal 2018; and (iv) consumption of stores and spare parts from ₹108.78 million in fiscal 2017 to ₹134.76 million in fiscal 2018 which was partially offset by a decrease in (i) freight and forwarding from ₹176.45 million in fiscal 2017 to ₹152.30 million in fiscal 2018; and (ii) advertisement expenses from ₹75.44 million in fiscal 2017 to ₹51.36 million in fiscal 2018. The increase in other expenses was due to an increase in our installed capacities and capacity utilization which resulted in an increase in the volume and sale of our products.

Profit before tax: As a result of the factors outlined above, our profit before tax increased by 19.14% from ₹680.53 million in fiscal 2017 to ₹810.76 million in fiscal 2018.

Income Tax expense.

- *Current tax:* We recorded a current tax of ₹186.04 million for fiscal 2018, an increase of 0.96% from ₹184.27 million for fiscal 2017. This increase was primarily due to an increase in profit before tax which was offset by an increase in deduction claimed under section 80IB of the Income Tax Act and deduction claimed under section 32AD of the Income Tax Act.

- *Deferred tax:* We recorded a deferred tax of ₹81.37 million for fiscal 2018 as compared to a deferred tax of ₹30.95 million for fiscal 2017. This increase was primarily due to utilisation of deferred tax asset created in earlier years on brought forward losses by Lakeside Dairy Ltd as it recorded a profit in fiscal 2018 as compared to a loss in fiscal 2017 and an increase in the depreciation and amortisation expense due to the increase in our fixed assets base.

Profit for the year: As a result of the factors outlined above, our profit for the year increased by 16.77% from ₹465.31 million in fiscal 2017 to ₹543.35 million in fiscal 2018.

Total Other Comprehensive Income: We recorded a total other comprehensive income of ₹12.52 million in fiscal 2018 as compared to a total other comprehensive loss of ₹35.47 million in fiscal 2017. This was primarily due to effects of foreign currency translation reserve which will be subsequently reclassified to the statement of profit or loss and re-measurement of the net defined benefit obligation.

Total comprehensive income for the year: As a result of the factors outlined above, our total comprehensive income for the year increased by 29.32% from ₹429.84 million in fiscal 2017 to ₹555.87 million in fiscal 2018.

Fiscal 2017 compared to Fiscal 2016

Total income: We had total income of ₹14,473.70 million in fiscal 2017, an increase of 19.92% over our total income of ₹12,069.07 million in fiscal 2016. This increase was mainly due to the following:

- *Revenue from operations:* Our revenue from operations increased by 19.91% from ₹12,009.01 million in fiscal 2016 to ₹14,400.44 million in fiscal 2017. This increase was primarily due to the following factors:

    - Our revenue from sale of finished goods increased by 20.22% from ₹11,972.16 million in fiscal 2016 to ₹14,393.32 million in fiscal 2017. The following is a region and product wise break up of our revenue from sale of finished goods:

India

Our revenue from sale of finished goods increased by 19.65% from ₹11,778.84 million in fiscal 2016 to ₹14,092.84 million in fiscal 2017. This increase was due to the following:

- Our revenue from sale of processed milk increased by 14.80% from ₹8,208.91 million in fiscal 2016 to ₹9,423.91 million in fiscal 2017. This was primarily due to an increase in (i) the number of locations to which our milk was sold; (ii) the average sales price of processed milk; and (iii) increase in sales volumes by existing distributors and distribution agents;

- Our revenue from sale of dairy based VAPs increased by 30.78% from ₹3,569.93 million in fiscal 2016 to ₹4,668.93 million in fiscal 2017. This increase was primarily due to an increase in the sale of curd by 23.96% from ₹2,154.44 million in fiscal 2016 to ₹2,670.56 million in fiscal 2017 coupled with an increase in the average sales price of curd.

Revenue from processed milk and dairy based VAPsalso increased due to an increase in the number of distributors and distribution agents to whom our products are sold from 3,053 as of March 31, 2016 to 3,263 as of March 31, 2017 and an increase in the number of Dodla Retail Parlors from 47 as of March 31, 2016 to 166 as of March 31, 2017.

Africa

Our revenue from sale of finished goods increased by 55.43% from ₹193.32 million in fiscal 2016 to ₹300.48 million in fiscal 2017. This increase was primarily due to an increase in the sales of extended shelf life milk by 85.95% from ₹119.85 in fiscal 2016 to ₹222.86 million in fiscal 2017.

- *Other income:* Our other income increased by 21.98% from ₹60.06 million in fiscal 2016 to ₹73.26 in fiscal 2017. This increase was primarily due to an increase in fair value gain on financial assets measured at fair value through profit and loss from ₹11.57 million in fiscal 2016 to ₹26.83 million in fiscal 2017.

Total expenses: Our total expenses was ₹13,793.17 million in fiscal 2017, an increase of 21.87% over our total expenses of ₹11,317.85 million in fiscal 2016. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed totaled to ₹11,155.78 million in fiscal 2017, an increase of 24.99% over ₹8,925.43 million in fiscal 2016. The increase was due to an increase in the (i) production of processed milk and dairy based VAPs; (ii) price of procurement of raw milk; and (iii) cost of packing materials.

- *Purchase of stock-in-trade*: Our purchase of stock-in-trade was ₹27.46 million in fiscal 2016. No purchase of stock-in-trade was recorded in fiscal 2017.

- *Change in inventories of finished goods, stock-in-trade and work-in-progress:* Change in inventories of finished goods, stock-in-trade and work-in-progress totaled to ₹198.53 million in fiscal 2017 as compared to ₹284.50 million in fiscal 2016. This was primarily due to availability of more raw milk which resulted in an increase in our procurement operations. This increase in our procurement operations resulted in less consumption from our inventory.

- *Employee benefit expense*: Our employee benefit expense totaled ₹549.93 million in fiscal 2017, an increase of 12.43% over ₹489.14 million in fiscal 2016. This increase was primarily due to a 12.28% increase in salaries, wages and bonus from ₹440.70 million is fiscal 2016 to ₹494.83 million in fiscal 2017. This was due to an increase in employees in the corresponding period and a revision in salaries, wages and bonus.

- *Depreciation and amortisation expense*: Our depreciation and amortisation expenses totaled ₹190.35 million in fiscal 2017, an increase of 19.36% over depreciation and amortisation expenses of ₹159.47 million in fiscal 2016. This increase was primarily due to an increase in our property, plant and equipment base consequent to the (i) capital expenditure towards plant and machinery for our processing plants at Hyderabad, Palamaner and Dharmapuri; (ii) capitalization of our Registered and Corporate Office; and (iii) purchase of milk analysers.

- *Finance cost*: Our finance cost totaled ₹78.04 million in fiscal 2017, a decrease of 27.85% over our finance cost of ₹108.17 million in fiscal 2016. This decrease was primarily due to a decrease in interest expense on loan from banks from ₹96.94 million in fiscal 2016 to ₹72.87 million in fiscal 2017 due to the reduction in our average working capital borrowings.

- *Other expenses:* Our other expenses totaled ₹1,620.54 million in fiscal 2017, an increase of 22.43% over other expenses of ₹1,323.68 million in fiscal 2016. This increase was primarily due to an increase in (i) distribution expenses from ₹270.54 million in fiscal 2016 to ₹349.33 million in fiscal 2017; (ii) freight inward and handling from ₹279.45 million in fiscal 2016

to ₹353.06 million in fiscal 2017; (iii) power and fuel from ₹187.86 million in fiscal 2016 to ₹235.46 million in fiscal 2017; (iv) consumption of stores and spare parts from ₹89.21 million in fiscal 2016 to ₹108.78 million in fiscal 2017; (v) freight and forwarding from ₹156.80 million in fiscal 2016 to ₹176.45 million in fiscal 2017; and (vi) advertisement expenses from ₹39.49 million in fiscal 2016 to ₹75.44 million in fiscal 2017. The increase in other expenses was due to an increase in our installed capacities and capacity utilization which resulted in an increase in the volume and sale of our products.

Profit before tax: As a result of the factors outlined above, our profit before tax decreased by 9.41% from ₹751.22 million in fiscal 2016 to ₹680.53 million in fiscal 2017.

Income Tax expense.

- *Current tax:* We recorded a current tax of ₹184.27 million for fiscal 2017, a decrease of 23.93% from ₹242.25 million for fiscal 2016. This increase was primarily due to the decrease in profit before tax.

- *Deferred tax:* We recorded a deferred tax charge of ₹30.95 million for fiscal 2017 as compared to a deferred tax credit of ₹19.34 million for fiscal 2016. This increase was primarily due to an increase in the depreciation and amortization expense due to the increase in our property, plant and equipment base.

Profit for the year: As a result of the factors outlined above, our profit for the year decreased by 11.93% from ₹528.31 million in fiscal 2016 to ₹465.31 million in fiscal 2017.

Total Other Comprehensive Income: We recorded a total other comprehensive loss of ₹35.47 million in fiscal 2017 as compared to a total other comprehensive loss of ₹15.30 million in fiscal 2016. This was primarily due to losses from foreign currency translation reserves which will be subsequently classified to profit or loss.

Total comprehensive income for the year: As a result of the factors outlined above, our total comprehensive income for the year decreased by 16.21% from ₹513.01 million in fiscal 2016 to ₹429.84 million in fiscal 2017.

Liquidity and Capital Resources

Capital Requirements

For fiscals 2016, 2017 and 2018 we met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, principally with funds generated from operations and optimisation of operating working capital, with the balance principally met using external borrowings from banks.

The following table sets forth information on cash and cash equivalents as at the dates indicated:

Particulars	As at March 31		
	2018	2017	2016
	(in ₹ million)		
Cash and cash equivalents	139.17	111.62	118.19

The following table sets forth certain information concerning our cash flows for the periods indicated:

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
	(in ₹million)		
Net cash generated from operating activities	860.96	609.73	1,231.34
Net cash used in investing activities	(657.11)	(791.12)	(932.98)
Net cash (used in) / generated from financing activities	(400.85)	191.72	(357.87)

Net Cash Flow Generated From Operating Activities

For fiscal 2018, our net cash flow generated from operating activities was ₹860.96 million which primarily comprised of (i) profit before income tax of ₹810.76 million which was adjusted for, primarily among other things, depreciation and amortisation expense of ₹268.56 million, finance costs of ₹99.70 million offset by fair value gain on financial assets measured at fair value through profit and loss, net of ₹32.51 million; (ii) changes in operating assets and liabilities; and (iii) income taxes paid, net. Changes in operating assets and liabilities primarily included, inter-alia, increase in trade receivables of ₹21.75 million due to increased sales, increase in inventories of ₹488.92 million due to increase in our inventories as the stock of butter and ghee increased due to implementation of goods and service tax, increase in trade payables and other financial liabilities of ₹169.48 million due a decrease in other current and non-current assets of ₹224.35 million. Net cash used in operating activities also included income taxes paid, net of ₹169.74 million.

For fiscal 2017, our net cash flow generated from operating activities was ₹609.73 million which primarily comprised of (i) profit before income tax of ₹680.53 million which was adjusted for, primarily among other things, depreciation and amortisation expense of ₹190.35 million, finance costs of ₹78.04 offset by fair value gain on financial assets measured at fair value through profit and loss, net of ₹26.83 million and dividend income from investment in mutual funds of ₹19.56 million; (ii) changes in operating assets and liabilities; and (iii) income taxes paid, net. Changes in operating assets and liabilities primarily included, inter-alia, increase in other current and non-current assets of ₹263.75 million, increase in trade payables and other financial liabilities due to an increase in the procurement of raw milk coupled with an increase in the price of raw milk of ₹100.33 million primarily due to (i) an increase in the procurement of raw milk; and (ii) an increase in advances given for SMP. Net cash used in operating activities also included income taxes paid, net of ₹218.64 million.

For fiscal 2016, our net cash flow generated from operating activities was ₹1,231.34 million which primarily comprised of (i) profit before income tax of ₹751.22 million which was adjusted for, primarily among other things, depreciation and amortisation expense of ₹159.47 million, finance costs of ₹108.17 offset by dividend income from investment in mutual funds of ₹23.03 million; (ii) changes in operating assets and liabilities; and (iii) income taxes paid, net. Changes in operating assets and liabilities primarily included, inter-alia, a decrease in inventories of ₹519.27 million due to bulk sales of ghee and butter and consumption of SMP. Net cash used in operating activities also included income taxes paid, net of ₹341.99 million.

Net Cash Used In Investing Activities

For fiscal 2018, our net cash used in investing activities was ₹657.11 million which primarily comprised of payments for property, plant and equipment and intangible assets of ₹717.33 million (primarily comprising of plant and machinery of ₹265.23 million, building of ₹145.24 million and land of ₹138.25 million) and purchase of mutual funds of ₹445.57 million which was offset by the proceeds from the sale of mutual funds of ₹492.85 million.

For fiscal 2017, our net cash used in investing activities was ₹791.12 million which primarily comprised of payments for property, plant and equipment and intangible assets of ₹802.39 million (primarily comprising of plant and machinery of ₹407.23 million, buildings of ₹244.73 million and land of ₹38.93 million) and purchase of mutual funds of ₹260.88 million which was offset by the proceeds from the sale of mutual funds of ₹245.00 million.

For fiscal 2016, our net cash used in investing activities was ₹932.98 million which primarily comprised of payments for property, plant and equipment and intangible assets of ₹947.39 million (primarily comprising of capital work in progress of ₹315.42 million, land of ₹143.73 million, plant and machinery of ₹131.54 million and building of ₹112.55 million) and purchase of mutual funds of ₹346.20 million which was offset by the proceeds from the sale of mutual funds of ₹332.33 million.

Net Cash (Used in) / Generated from Financing Activities

For fiscal 2018, our net cash used in financing activities was ₹400.85 million which primarily comprised of repayment of short term borrowings, net of ₹250.00 million, finance costs paid of ₹103.81 million and repayment of long term borrowings to banks of ₹72.82 million offset by the receipt of government grant of ₹25.78 million.

For fiscal 2017, our net cash generated from financing activities was ₹191.72 million which primarily comprised of receipt of short term borrowings, net of ₹275.00 million, receipt of long term borrowings from banks of ₹70.00 million partially offset by finance costs paid of ₹99.64 million and repayment of long term borrowings of ₹54.07 million.

For fiscal 2016, our net cash used in financing activities was ₹357.87 million which primarily comprised of repayment of short term borrowings, net of ₹421.50 million, finance costs paid of ₹108.59 million and dividend paid (including dividend distribution tax) of ₹98.54 million offset by the receipt of long term borrowings from banks of ₹300.00 million

Capital Expenditures

Our capital expenditures are mainly related to our Hyderabad processing plant.

The table below provides details of our net cash outflow on capital expenditures for the periods stated on a restated consolidated basis.

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
	(in ₹ million)		
Payments for property, plant and equipment and intangible assets	717.33	802.39	947.39

Planned Capital Expenditures

Our planned capital expenditures for fiscal 2019 to be used for the expansion of our current processing plants, establishment of new processing plants and chilling centres and purchase of GPRS analysers. We estimate our planned capital expenditure to be approximately ₹1,166.10 million.

The anticipated source of funding for our planned capital expenditures is combination of cash from our operations and financial assistance from scheduled commercial banks and financial institutions. For further information see "*Objects of the Offer*" on page 81

Indebtedness

As of June 30, 2018, we had fund and non-fund based borrowings. For further details see "*Financial Indebtedness*" on page 319.

Contractual Obligations

The table below sets forth, as of March 31, 2018, we had contractual obligations with definitive payment terms. These obligations primarily relate to contracts entered into for the expansion of our installed capacities.

Particulars	As at March 31, 2018			
	Carrying value	Total	Less than 1 year	More than 1 year
	(in ₹ million)			
Trade payables	631.51	631.51	631.51	-
Borrowings	1,258.13	1,310.69	1,062.04	248.65
Other financial liabilities	225.32	225.32	225.32	-

Contingent Liabilities

As of March 31, 2018, we had the following contingent liabilities that had not been provided for:

Particulars	As at March 31, 2018
	(₹ Million)
Income tax matters	0.99
Indirect tax matters	6.44
Total	**7.43**

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

Off-Balance Sheet Transactions

We have not entered into any off balance sheet transactions.

Market Risks

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.

Commodity Price Risk

We are exposed to fluctuations in the price of raw milk, processed milk and our dairy based value added products. The market price of these commodities fluctuate due to certain factors, such as government policy and level of demand and supply in the market. Therefore, fluctuations in the prices of raw milk, processed milk and our dairy based value added products may have a significant effect on our business, results of operations and financial condition.

Interest Rate Risk

We have floating rate and marginal cost of fund based lending rate indebtedness with banks and thus are exposed to market risk as a result of changes in interest rates. Upward fluctuations in interest rates increase the cost of both existing and new debt. We monitor the movement of interest rates on an ongoing basis.

Exchange Rate Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. We transact business primarily in Indian Rupees, U.S. dollars and Euro. We have foreign currency trade payables and receivables in relation to our overseas operations and are therefore exposed to foreign exchange risk. Certain of our transactions act as a natural hedge as a portion of both our assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk we adopt a policy of selective hedging based on the risk perception of our management.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, to the extent possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Credit risk

We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically extend credit terms of less than one day to our distributors. If the counterparties do not pay promptly, or at all, we may have to make provisions for or write-off such amounts. As of March 31, 2018, 2017 and 2016, our net trade receivables on a restated consolidated basis were ₹36.05 million, ₹14.28 million and ₹20.37 million, respectively. As at fiscals 2018, 2017 and 2016 our provision for doubtful debts were ₹0.45 million, ₹1.33 million and ₹4.00 million, respectively.

Inflation Risk

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Total turnover of each major industry segment in which our Company operated

We are engaged in the business of processing and selling milk and dairy based VAPs. We review the economic performance of processed milk and dairy based VAPs. For the purpose of reporting the operating segments, all the two 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 segments.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge that have in the past or may in the future affect our business operations or financial performance which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Other than as described in "*Risk Factors*" and this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 14 and 300, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationships Between Expenditure and Income

Other than as described in "*Risk Factors*" on page 14 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 300, to our knowledge there are no known factors which we expect will have a material adverse impact on our operations or finances.

New Product or Business Segments

Other than as described in "*Our Business*" on page 136, there are no new products or business segments in which we operate / intend to diversify.

Competitive Conditions

We expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products. For further details, please refer to "*Risk Factors*" and "*Our Business*" beginning on pages 14 and 136, respectively.

Significant Developments after March 31, 2018

To our knowledge, except as stated below and as otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months:

- Our Company has allotted 52,397,168 bonus Equity Shares to our Shareholders on July 17, 2018. For further details see "*Capital Structure*" on page 69

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for the purposes of expansion of its existing processing plants to meet growing business opportunities, setting up of new processing plants, for incurring capital expenditure at some of our processing plants, purchase of packing material, stores and spares and meeting working capital requirements. Our individual Promoters, Dodla Sunil Reddy and Dodla Sesha Reddy have provided personal guarantees in relation to these loans.

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on July 17, 2018 our Board is authorised to borrow such sum or sums of money or monies for the purposes of the business of our Company as may be required from time to time either in foreign currency and/ or in Indian rupees, on such terms and conditions and with or without security as our Board may think fit, which together with the monies already borrowed by our Company, may exceed the aggregate for the time being of the paid up capital of our Company and its free reserves, provided that the total amount of money/ monies so borrowed by our Board shall not at any time exceed the limit of ₹5,000 million.

Set forth below is a brief summary of our consolidated borrowings as of June 30, 2018:

Category of borrowing	Sanctioned Amount (in ₹million)	Outstanding amount (in ₹million) as on June 30, 2018
Term loans		
Secured	1,340.00	291.88
Unsecured	Nil	-
Cash Credit Facilities	-	-
Working Capital Facilities	1,325.00	450.95
Foreign Currency Loans	Nil	Nil
Overdraft Facilities	500.00	166.20
Total	**3,165.00**	**909.02**

**As certified by M/s A Ramachandra Rao & Co, Chartered Accountants, through their certificate dated August 8, 2018*

Principal terms of the borrowings availed by us:

1. ***Interest:*** The interest rate is typically the base rate as specified by the lender and a spread per annum. The interest spread varies between different loans for different banks.

2. ***Tenor:*** The tenor of the term loans availed by us typically ranges from four and half years to seven years and the tenor of the working capital facilities availed by is typically twelve months

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   a) create exclusive charges in favour of a lender on our fixed assets, create charges on our current assets and book debts in favour of the lender and create security by way of hypothecation of our present and future fixed assets;

   b) create pari-passu charges on some of our properties and plants and machinery; and

   c) create equitable mortgage over some of our properties

   Additionally, in certain cases the facilities may also require our individual Promoters to provide personal guarantees as security.

   The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The working capital facilities are typically repayable on demand or before the expiry of the tenure of the working capital facility. However, in certain cases, our lenders may have a right to modify or cancel the facilities without prior notice and require immediate repayment of all outstanding amounts. The term loan facilities availed by us are repayable in 16 equal quarterly instalments.

5. ***Penalty:*** The loans availed by us contain provisions prescribing penalties for delayed payment or default in the repayment obligations or for diversion of short term funds to long term funds. These penalties typically range from 1% p.a. to 2% p.a.

6. ***Prepayment:*** Our Company may prepay part or full amount with notice and certain pre-payment charges as may be applicable in accordance with the terms and conditions agreed upon with a specific lender. The prepayment charge is typically 2% of the amount being prepaid.

7. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including:

   a) change in company's shareholding structure;

b) any material change in the management of its business;

c) any change in the ownership or control of our Company which may change the effective beneficial ownership or control of our Company

d) change or amendment to the constitutional documents without the prior approval of the lender;

e) any change from the date of the agreement in the general nature or scope of our Company's business, operations, management or ownership of our Company, which, in the opinion of the lender, that could have a material adverse effect; and

f) creation of any further charge on the fixed assets of our Company without prior approval of the lender.

The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) tax proceedings and (iv) material litigation, in each case, involving our Company, our Promoters, our Subsidiaries, our Group Companies or our Directors.

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation pursuant to board resolution dated July 13, 2018 to be disclosed by our Company in the Draft Red Herring Prospectus:

(a) Criminal, tax proceedings and actions by statutory authorities/ regulatory authorities: All criminal and tax proceedings and actions by statutory/ regualtory authorities involving the relevant parties shall be deemed to be material; and

(b) De minimis monetary threshold for civil litigation: Pending litigation involving the relevant parties, other than criminal proceedings, statutory and regualtory actions and taxation matters, shall be considered material if the monetary amount of the claim by or against the entity or person in any such proceeding exceeds 1% of the profit after tax of our Company as per the last restated annual financial statements. For the purposes of disclsoure in the Draft Red Herring Prospectus, it is clarified that the de minimis threshold for all outstanding civil litigation involving the relevant parties is ₹5.43 million. However, in the event of pending civil litigation wherein a monetary liability is not quantifiable, such litigation shall be construed as material only in the event that the outcome of such litigation has a bearing on the operations, performance, prospectus or reputation of our Company.

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Subsidiaries, our Directors, our Promoters or our Group Companies shall not be considered as litigation until such time that any of our Company, our Subsidiaries, our Directors, our Promoters or our Group Companies, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Litigation involving our Company

I. ***Litigation against our Company***

A. Criminal Proceedings

1. An inspection order dated June 20, 2017 ("**Inspection Order**") was received by our Company from Deputy Chief Inspector of Factories, Chittoor ("**Complainant**") in relation to the death of a contract worker due to electrocution at our processing plant situated at Palamaner ("**Palamaner Unit**"). The Inspection Order, *inter alia*, alleges a violation of Section 6 and Section 41 of Factories Act and certain rules of the Andhra Pradesh Factories Rules, 1950 ("**Factories Act and Rules**"), framed thereunder. The aforestated provisions and the Inspection Order, *inter alia*, relate to our Company having allegedly not obtained all proper permissions to carry out milk processing at our Palamaner Unit and consequent to which the contract worker died. Our Company replied to the Inspection Order on August 4, 2017 refuting the alleged violations of the Factories Act and Rules and submitted that the deceased contract employee did not handle the electric equipment in a proper manner which resulted in the electrocution. Subsequently a criminal complaint CC No 17/2018 dated September 6, 2017 ("**Complaint**") has been filed by the Inspector of Factories, Chittoor (FAC) against the plant manager of the Palamaner Unit and our Managing Director, Dodla Sunil Reddy, before the Court of the Judicial First Class Magistrate, Palamaner ("**Court**") for the alleged violations as stated in the Inspection Order. This case is currently pending.

2. An intimation for the testing of our curd sample and results of the testing were received from the Office of the Designated Officer, District Health and Family Welfare Office, Chickaballapura District dated October 6, 2015 at our processing plant situated at Nadimidoddi Palli, Morom Post, Palamaner, Chittor District ("**Palamaner Unit**"). The test report indicated that our curd had a lesser fat content than as prescribed under the provisions of the FSSA. Our Company filed a reply to the test report on October 28, 2015 wherein we requested for a re-analysis of the curd sample. Subsequently an order dated December 6, 2016 was passed by the Additional District Officer, Chikkaballapura District levying a penalty of ₹0.2 million on the manager of our Palamaner Unit, our Company and our Managing Director for the aforestated violations of the FSSA ("**Penalty Order**"). Our Company has filed a writ petition number 17499/2018 before the High Court of Karnataka at Bengaluru for quashing of the Penalty Order and have also prayed for granting an interim stay on the Penalty Order. The matter is currently pending.

3. A criminal complaint bearing number CC 515/2010 was filed by Food Inspector, SPSR Nellore District, Nellore before the Court of IV Additional Judicial First Class Magistrate, Nellore against an ex-manager of our Nellore processing plant and our Company alleging that flavoured milk being sold by our Company does not conform to the standards prescribed under

the Prevention of Food Adulteration Act, 1954 is being adulterated. The matter has been stayed pursuant to a petition filed by the public prosecutor dated February 6, 2018 and is currently pending.

4. A criminal complaint bearing number 230/2011 has been filed by the Food Inspector, Jodhpur before the Chief Judicial Magistrate, Jaisalmer ("**Court**") against, *inter alia*, an employee working at our Company's branch office situated at T/22 Krishi Mandi, Jodhpur and our Company for selling allegedly adultered ghee in violation of the Prevention of Food Adulteration Act, 1954. The matter is currently pending.

5. A show cause notice dated October 10, 2017 was received from Assistant Labour Commissioner, Koppal ("**Complainant**") by, *inter alia*, our Company and our Managing Director for alleged failure to produce registers and documents maintained under the provisions of the Minimum Wages Act, 1948, Equal Remuneration Act 1976 and the Contract Labour (Regulation and Abolition) Act 1970. Subsequently criminal case numbers CC No. 62, 63 and 64/2018 were filed before the court of Civil Judge and Judicial Magistrate First Class, Koppal ("**Court**") for non-maintenance of *inter alia*, muster roll and annual return as required under the provisions of the Minimum Wages Act, 1948. Our Company has received summons dated January 27, 2018 for appearance in the Court and the matter is currently pending.

B. Material Outstanding Civil Litigation

1. A public interest litigation ("**PIL**") 14288 of 2017 has been filed by R. Karthikeyan ("**Complainant**") before the High Court of Judicature at Madras ("**High Court**") on June 6, 2017, against, amongst other private dairies, our Company claiming adulteration of milk and violations of the FSSA and the rules framed thereunder and asking for random testing of our milk by the health department, government of Tamil Nadu. This PIL followed a number of public statements made against private dairies by K. T. Rajenthra Bhalaji, the then Minister for Dairy Development in the Government of Tamil Nadu. The High Court directed concerned authorities from the Government of Tamil Nadu to file a status report on the aforestated complaints of milk adulteration. Our Company was not named as being in violation of the FSSA. In light of this, our Company, along with other private dairies has filed a plaint 529/2017 on July 4, 2017 before the High Court, wherein our Company has claimed damages of ₹10 million from K. T. Rajenthra Bhalaji and also prayed for a permanent injunction against K. T. Rajenthra Bhalaji from making any remarks disparaging our Company or our Company's products. The matter is currently pending before the High Court.

C. Outstanding actions initiated by regulatory and statutory authorities

1. A notice dated November 17, 2017 was received by our Company ("**SCN**") from the Office of the Chief Medical and Health Officer, Narayanpur District, Chattisgarh, through which we were informed that a sample taken for our product, ghee, had returned as 'fake' during testing and our Company was requested to submit copies of *inter alia*, a copy of our food licenses. Our Company replied to the SCN with the required documents on December 12, 2017. This matter is currently pending.

2. A notice dated August 22, 2017 was received from the office of Controller Weights and Measurement (Legal Measurement Science), Madhya Pradesh ("**Weights Controller**") by our Company in relation to violations of provisions of Legal Metrology Act, 2009. Subsequently, an order dated December 23, 2017 was passed by the Weights Controller wherein a compromise was fixed and a total penalty of ₹1,85,000 was levied. Our Company has not paid the penalty amount. Subsequently, by a notice received on January 1, 2018 from the Weights Controller, our Company was informed of the criminal proceeding bearing case number 56/17-18 being commenced before the court of the Chief Judicial Magistrate Guna (M.P.). The matter is currently pending.

3. A show cause notice ("**SCN**") dated January 12, 2017 was received from the Andhra Pradesh Pollution Control Board ("**APPCB**") at our Badvel processing plant ("**Badvel Unit**") for, *inter alia*, manufacturing products exceeding the permitted capacity and for having allegedly made no specific arrangements for utilisation of treated effluents for greenbelt development. Our Company has replied to the APPCB on February 16, 2017 stating that the actions mentioned in the SCN would be complied with. The matter is currently pending.

4. A notice dated June 28, 2018 was received from the Andhra Pradesh Pollution Control Board ("**APPCB**") at our site situated in Chendurthi which intimated us regarding the rejection of our consent to establish which was submitted to the APPCB on June 11, 2018. Our Company has replied to this notice and the matter is currently pending.

5. During the course of our business operations, we have received certain notices and intimations from various statutory and regulatory authorities such as office of a concerned agricultural market committee for payment of license fees, district collector for collection of data for registered manufacturing establishments, deputy electrical inspector for payment of inspection charges, designated food inspector under the FSSA (i) declaring our products to be substandard or not conforming to the specifications mentioned in the packaging; (ii) for collection of samples of our products from us, our distributors or points of sales; (iii) furnishing of information and documents; and (iv) alleging misbranding or deficient packaging of our products, gram panchayat for payment of gram panchayat tax, labour department to comply with Minimum Wages Act, 1948, the Karnataka Rules of Minimum Wages, 1958, Equal Remuneration Act, 1976, the Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Bonus Act, 1965 and rules made thereunder, Karnataka

Industrial Establishments (National and Festival Holidays) Act, 1963 and the rules made thereunder and the Maternity Benefits Act, 1961, the assistant director of mines and geology for payment of environmental impact fee and the pollution control boards for (i) not obtaining or delay in obtaining the consent to operate for some of our processing plants; (ii) collection of samples of air discharged and effluent water; and (iii) non-compliance in relation to discharging of untreated effluents, non-provision of flow and energy meters or compliance with guidelines prescribed. As of date of this Draft Red Herring Prospectus, we have received 35 such notices and intimations to which we have replied or are in the process of replying.

Additionally, we have also received notices and intimations for the renewal of the Agmark and BIS certifications, from the Department of Boilers for the examination of our boilers and payment of inspection and renewal fees for licenses of our boilers, from the deputy electrical inspector for the payment of electrical inspection fees, from the Employees Provident Fund Organisation to provide provident fund coverage to our employees, inspector of export inspection agency for the renewal of export certifications, various inspector of factories providing directions during inspections including submission of revised plans, presentation of registers, compliance with safety norms and presentation of annual returns, fire department for rectification of safety deficiencies, designated food inspector under the FSSA (i) declaring our products to be substandard; and (ii) for collection of samples of our products from us, our distributors or points of sales, Greater Hyderabad Municipal Corporation for unauthorised construction of our Registered and Corporate Office, gram panchayat for payment of panchayat fees, from labour inspectors requiring us to (i) submit documents; (ii) apply for standing orders; and (iii) selection of workmen committee members, from National Highways Authority of India requiring us to remove encroachments for one of our processing plants, from pollution control boards (i) for renewal of consent to operate; (ii) for payment of water cess, certain arrears and other fees; (iii) for non-compliance in relation establishment of boiler and development of green belt for disposal of treated water; and (iv) requiring us to comply with new plastic waste management rules, various statistical departments requiring us to submit details for annual survey of industries, annual returns, balance sheets and details of employees, relevant tax authorities for payment of professional tax and revenue officers for inspection of the boundaries of one of our processing plants. As of date of this Draft Red Herring Prospectus, we have replied to such notices and intimations and we have not received any further correspondences from these authorities.

II. ***Litigation by our Company***

A. Criminal Proceedings

1. A criminal complaint SR No. 5101/2015("**Complaint**") has been filed by our Company before the Court of the IIIrd Additional Chief Metropolitan Magistrate at Hyderabad ("**Court**") against a land agent under *inter alia*, Sections 409 and 420 of the Indian Penal Code, 1860 for misappropriation and cheating. This Complaint alleges that the land agent violated the terms of a memorandum of understanding entered into between our Company and the land agent and for not returning ₹5 million paid to him. The matter is currently pending.

2. Our Company has filed two criminal complaints CC No. 228/2014 and SR 4439/2014 ("**Complaints**") before the Court of the Additional Chief Metropolitan Magistrate at Bangalore and Metropolitan Magistrate at Cyberabad, Medchal respectively, under Section 138 of the Negotiable Instruments Act, 1881 against two of our distributors in relation to the dishonour of the cheques, of an aggregate amount of ₹0.32 million, submitted by them for the purchase of milk products from our Company. The matters are currently pending at the aforestated forums.

III. **Litigation involving our Promoters**

A. Outstanding Criminal litigation against our Promoters

1. For details in relation to CC No. 17/ 2018 against, amongst others, our Promoter, Dodla Sunil Reddy, see "- *Litigation against our Company – Criminal Proceedings*" on page 321.

2. For details in relation to litigation commenced in furtherance of notice dated October 6, 2015 received from Office of the Designated Officer, District Health and Family Welfare Office, Chickaballapura District against, amongst others, our Promoter, Dodla Sunil Reddy, see "- *Litigation against our Company – Criminal Proceedings*" on page 321.

3. For details in relation to litigation commenced in furtherance of notice dated October 10, 2017 received from Assistant Labour Commissioner, Kalaburgi against, amongst others, our Promoter, Dodla Sunil Reddy, see "- *Litigation against our Company – Criminal Proceedings*" on page 321.

B. Material Outstanding Civil litigation involving our Promoters

1. Nil

IV. **Litigation involving our Directors**

I. Litigation against our Directors

A. Criminal Proceedings

1. For details of litigation involving Dodla Sunil Reddy, see "*-Litigation involving our Promoter*" on page 321.

V. **Litigation involving our Subsidiaries**

1. Nil

VI. **Litigation involving our Group Companies**

1. Nil

Tax Proceedings

Except as disclosed, there are no outstanding tax proceedings involving our Company, Subsidiaries, Directors or Promoter.

Nature of case	Number of cases	Amount involved (in ₹ million)
Company		
Direct Tax	6	75.94
Indirect Tax	3	10.49
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Outstanding dues to Creditors

Based on information available with our Company, there is no micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, to whom our Company owes any amount as of March 31, 2018.

As per the Materiality Policy, creditors of our Company to whom an amount exceeding ₹6.31 million i.e. 1% of our total consolidated trade payables for the period ending March 31, 2018 was outstanding, were considered 'material' creditors. Based on the this criteria, our Company had the following material creditors as on March 31, 2018-

Material Creditors	Number of cases	Amount involved (in ₹ million)
Small scale undertakings*	Nil	Nil
Other creditors	6	50.02

** Entities that are identified as "Micro & Small Enterprises" under the Restated Consolidated Financial Information are considered as small scale undertakings. For further details, see the section titled "Financial Statements" on page 184.*

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at https://www.dodladairy.com/static/downloads/creditors-as-on-mar18.pdf. It is clarified that other than details pertaining to net outstanding dues towards our creditors, no information available on our website form a part of this Draft Red Herring Prospectus.

Outstanding litigation against any other person or companies whose outcome could have an adverse effect on our Company

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation against any other person whose outcome could materially and adversely affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

Material Developments

Except as disclosed in "*Management's Discussion And Analysis of Financial Condition and Results of Operations*" on page 300, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company and Subsidiaries have received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company and our Subsidiaries undertake to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "Regulations and Policies" on page 151.

The objects clause of the Memorandum of Association enables our Company and our Subsidiaries to undertake their present business activities.

The approvals required to be obtained by us include the following:

I. Approvals in relation to the Offer

For details of corporate and other approvals in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 328.

II. Incorporation details of our Company

(i) Certificate of incorporation dated May 15, 1995 issued by the RoC to our Company in the name of Dodla Dairy Limited.

(ii) Certificate of commencement of business issued by the RoC to our Company on May 23, 1995

(iii) Our Company was allotted a corporate identity number U15209TG1995PLC020324

III. Approvals in relation to our business operations

A. Material approvals in relation to our Company's processing plants:

In order to operate our processing plants, chilling centers, sales offices and our Company requires various approvals and/or licenses under various laws, rules and regulations. We are required to obtain licenses and approvals under the following laws and regulations:

(i) Factory plan approval under the Factories Act, 1948;
(ii) License to work a factory under the Factories Act, 1948;
(iii) Fire NOC from the relevant fire department;
(iv) Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970;
(v) Certifications under the Industrial Employment (Standing Orders) Act, 1946;
(vi) Registration under the Employees State Insurance Act, 1948;
(vii) Registration under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952;
(viii) Consent for operation and consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
(ix) Approval of Electrical Inspector under the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010;
(x) Approval for processing and packing of milk products for export under the Export of Milk Products Quality Inspection and Monitoring Rules, 2000;
(xi) Certificate of authorisation for grading and marking of 'Ghee' under the Agricultural Produce (Grading and Marking) Act, 1937;
(xii) License under the Bureau of Indian Standards Act, 1986;
(xiii) FSSAI licenses under the FSSA;
(xiv) Certificate of registration under the Legal Metrology Act, 2009;
(xv) Certificate for use of a boiler under the Indian Boilers Act, 1923;
(xvi) Certificate of importer-exporter code; and
(xvii) Certificate of registration for operation of food safety program which complied with HACCP Code, 2003

B. Material approvals in relation to our Company's chilling centres:

In order to operate our chilling centres, our Company requires various approvals and/or licenses under various laws, rules and regulations. We are required to obtain licenses and approvals under the following laws and regulations:

(i) Factory plan approval under the Factories Act, 1948;
(ii) License to work a factory under the Factories Act, 1948;
(iii) Registration under the Employees State Insurance Act, 1948;
(iv) Registration under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952**;**
(v) Consent for operation and consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
(vi) Approval of Electrical Inspector under the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010;
(vii) FSSAI licenses under the FSSA;
(viii) Certificate of registration under the Legal Metrology Act, 2009;
(ix) Certificate of registration for operation of food safety program in compliance with HACCP Code, 2003.

IV. Foreign trade related approvals

Our Company has obtained the required registrations issued by the Export Inspection Agency, under the Ministry of Commerce and Industry, Government of India for approval of Nellore plant as an establishment for processing and packing of milk products for export as required under the Export of Milk Products (Quality Control, Inspection and Monitoring) Rules, 2000.

V. Approvals for our business operations under tax legislations

We are required to register under various national tax laws and state specific tax laws such as the Income Tax Act, 1961, Central Sales Tax, 1956, state specific sales tax, goods and services tax, excise and value added tax legislations. We are also required to pay service tax and state specific professional tax. We have also obtained the importer exporter code for our operations. We have obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

VI. Pending Approvals

Certain licensees may have lapsed or are due to lapse under the normal course. Our Company has either made an application to the appropriate authorities for fresh registrations or for renewal of such existing approvals, licenses, registrations and permits or is in the process of making such applications. The following applications are pending before the relevant authorities:

Gundrampally Processing Plant

1. Application for Fire NOC dated June 19, 2018 for the Gundrampally processing plant has been made with the District Fire Officer, Nalgonda, Telangana

Kurnool Processing Plant

1. Application for renewal of the license issued under the Standards of Weights and Measures and Enforcement Act, 1976 for the Kurnool processing plant dated July 19, 2018 has been made with the District Legal Metrology Officer, Legal Metrology Department, Gadwal.

2. Application for obtaining certification under the Industrial Employment (Standing Orders) Act, 1946 for the Kurnool processing plant dated May 9, 2018 has been made with the Joint Commissioner of Labour, Rangareddy Zone, Hyderabad.

Sattenapalli Processing Plant

1. Application for Fire NOC dated July 19, 2018 for the Sattenapalli processing plant has been made with the Regional Fire Officer, Sattenapalli, Guntur

Tanuku Processing Plant

1. Application for Fire NOC dated July 16, 2018 for the Tanuku processing plant has been made with the Regional Fire Officer, Tanuku, Andhra Pradesh.

2. Application for obtaining approval under Regulation 43(4) of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 for Tanuku processing plant dated July 16,2 018 has been made with the Junior Accounts Officer –HT, APEPDCL- Eluru, Andhra Pradesh.

Palamaneru Processing Plant

1. Application for obtaining certification under the Industrial Employment (Standing Orders) Act, 1946 for the Palamaneru processing plant dated May 22, 2017 has been made with the Certified Officer, Joint Commissioner of Labour, Tirupathi.

2. Application for Fire NOC dated July 3, 2017 for the Palamaneru processing plant has been made with the Regional Fire Officer, Palamaneru, Chittor.

3. Application for renewal of boiler license dated July 20, 2018 for the Palamaneru processing plant has been made with the Inspector of Boilers, Tirupati Region.

4. Application for certification issued under the Standards of Weights and Measures and Enforcement Act, 1976 dated July 16, 2018 has been made with Inspector of Legal Metrology, Chittoor, Andhra Pradesh for the Palamaneru processing plant.

5. Application for renewal of license issued under the Food Safety and Standards Act, 2006 dated July 2, 2018 has been made for the Palamaneru processing plant.

Penumur Processing Plant

1. Application for obtaining power release certificate for the Penumur processing plant dated July 16, 2018 has been made with the Junior Accounts Officer, APSPDCL – Tirupathi, Andhra Pradesh.

2. Application for Fire NOC dated July 3, 2018 for the Penumur processing plant has been made with the Regional Fire Officer, Chittor.

3. Application for obtaining certification under the Industrial Employment (Standing Orders) Act, 1946 for the Penemur processing plant dated May 22, 2017 has been made with the Certified Officer, Joint Commissioner of Labour, Tirupathi.

4. Application for certification issued under the Standards of Weights and Measures and Enforcement Act, 1976 dated July 16, 2018 has been made with Inspector of Legal Metrology, Chittoor, Andhra Pradesh for the Penumur processing plan

5. Application for renewal of license issued under the Food Safety and Standards Act, 2006 dated July 2, 2018 has been made for the Penumur processing plant.

Indragi Processing Plant

1. Application for renewal of boiler license bearing number KTK – 4603 was made with the Senior Assistant Director of Boilers, Huballi dated May 30, 2018 for the boiler in Indragi processing plant.

2. Application for Fire NOC dated June 8, 2018 for the Indragi processing plant has been made with the Regional Fire Officer, Bellary.

3. Application for certification issued under the Standards of Weights and Measures and Enforcement Act, 1976 dated July 16, 2018 has been made with the Inspector of Legal Metrology, Koppal, Karnataka for the Indragi processing plant.

Tumkur Processing Plant

1. Application for Fire NOC dated July 16, 2018 for the Tumkur processing plant has been made with the Regional Fire Officer, Tumkur, Karnataka.

2. Application for packer license issued under the Legal Metrology Act, 2009 read with the Legal Metrology (Packaged Commodities) Rules, 2011 dated July 16, 2018 has been made with the Inspector of Legal Metrology for the Tumkur processing plant.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the special resolution passed at its meeting held on July 13, 2018 and our Shareholders have approved the Fresh Issue pursuant to a resolution passed at the AGM held on July 17, 2018 under Section 62(1)(c) of the Companies Act, 2013. Further, the Board has taken on record the approval of the offer for sale by each of the Selling Shareholders and approved this Draft Red Herring Prospectus pursuant to its resolution dated August 9, 2018.

For details on the authorisation of each of the Selling Shareholders in relation to the Offer, see "*The Offer*" on page 62.

Each Selling Shareholder severally and not jointly confirms the Equity Shares being offered by the it in the Offer has been held it them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer in accordance with Regulation 26(6) of the SEBI ICDR Regulations. Each Selling Shareholder has also confirmed that it is the legal and beneficial owner of the Equity Shares being offered by it in the Offer for Sale.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Subsidiaries, our Promoters, members of the Promoter Group, our Group Companies and our Directors have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Each Selling Shareholder, severally and not jointly, confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority in India.

The companies with which our Promoters and Directors are or were associated as promoter, directors or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with entities which are engaged in securities market related business and are registered with SEBI or are themselves associated with the Securities market in any manner.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved as promoter or directors.

Prohibition by RBI

None of our Company, our Subsidiaries, our Promoters, members of our Promoter Group or Directors or Group Companies have been identified as a Wilful Defaulter. There are no violations of securities laws committed by our Company, our Promoters and our Directors in the past or is pending against our Company, our Promoters and our Directors. Each Selling Shareholder, severally and not jointly, confirms that it has not been identified as a Wilful Defaulter. There are no violations of securities laws committed by any of the Selling Shareholders in the past or which are currently pending against such Selling Shareholder.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI ICDR Regulations, and as calculated from the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- our Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets;
- our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated basis, during the three most profitable years out of the immediately preceding five years;
- our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);
- the aggregate of the Offer and all previous issues made in Fiscal 2019 is not expected to exceed five times the pre-Offer net worth as per our audited balance sheet for Fiscal 2018;
- our Company has not changed its name in the last one year

Our Company's net worth, net tangible assets, pre-tax operating profit, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Consolidated and Standalone Financial Information included in this Draft Red Herring Prospectus as at and for the five years ended Fiscal 2018, 2017, 2016, 2015 and 2014 are set forth below:

A. Based on Restated Consolidated Financial Information:

(₹ in million, except percentage values)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Net tangible assets, as restated[(1)]	3,580.70	2,937.72	2,479.52	2,085.31	1,994.25
Monetary assets, as restated[(2)]	141.50	113.51	119.49	187.30	431.81
Monetary assets, as restated as a % of net tangible assets, as restated	3.95%	3.86%	4.82%	8.98%	21.65%
Pre-tax operating profit, as restated[(3)]	845.08	685.31	799.33	166.44	357.89
Net worth, as restated[(4)]	3,397.59	2,840.80	2,410.96	1,996.49	1,907.32

B. Based on Restated Standalone Financial Information:

(₹ in million, except percentage values)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Net tangible assets, as restated[(1)]	3,630.85	3,031.73	2,535.27	2,130.99	1,994.25
Monetary assets, as restated[(2)]	113.31	71.26	93.15	113.70	431.81
Monetary assets, as restated as a % of net tangible assets, as restated	3.12%	2.35%	3.67%	5.34%	21.65%
Pre-tax operating profit, as restated[(3)]	791.75	690.86	799.94	190.16	357.89
Net worth, as restated[(4)]	3,428.40	2,903.81	2,445.43	2,033.16	1,907.32

(1) Net tangible assets mean the sum of all net assets of the issuer, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by the Institute of Chartered Accountants of India. Net assets is the aggregate of property, plant and equipment, capital work-in-progress, non-current investments, non-current and current loans, trade receivables, inventories, cash and bank balances, other current and non-current assets, (excluding deferred tax assets) less non-current and current borrowings, trade payables, non-current and current provisions and other non-current and current liabilities (excluding deferred tax liabilities).

(2) Monetary assets is the aggregate of cash on hand and balance with banks (including the bank deposits and interest accrued thereon).

(3) Pre-tax operating profit' is the aggregate of total comprehensive income, finance costs, tax expense and reduced by other income. There are no exceptional item in Restated Consolidated Financial Information and Restated Standalone Financial Information each of the years ending 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

(4) Net worth is the aggregate of paid-up share capital, securities premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss

Fiscals 2018, 2017 and 2016 were the three most profitable years out of the immediately preceding five Fiscals in terms of our Restated Financial Statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application monies shall be refunded or unblocked in the respective ASBA Accounts of the ASBA Bidders, as the case may be. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money at the rate of 15% per annum for the period of delay.

Our Company is in compliance with conditions prescribed in Regulation 4 of the SEBI ICDR Regulations to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR

APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI SECURITIES LIMITED ("BRLMs"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY MADE OR CONFIRMED BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND FOR ITS EQUITY SHARES, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 9, 2018 WHICH READS AS FOLLOWS:

WE, EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI SECURITIES LIMITED WHO HAVE BEEN APPOINTED BY THE COMPANY AND THE SELLING SHAREHOLDERS TO MANAGE THE OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALIZATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**

   (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1956 (AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013 TO THE EXTENT IN FORCE), THE COMPANIES ACT 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS- NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER**

DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION- NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER- COMPLIED WITH AND NOTED FOR COMPLIANCE

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE

REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS- COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, AS PER THE IND-AS 24 IN THE FINANCIAL STATEMENTS AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY M/S A. RAMACHANDRA RAO, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER:002857S) PURSUANT TO ITS CERTIFICATE DATED AUGUST 8, 2018.

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE)- NOT APPLICABLE

The filing of this Draft Red Herring Prospectus does not, however, absolve the Company or any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/ or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.dodladairy.com, or the respective websites of our Promoters, Promoter Group or any affiliate of our Company or the Selling Shareholders would be doing so at his or her own risk. The Investor Selling Shareholder, its directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those statements or undertakings specifically made or confirmed by either the Investor Selling Shareholders or the Individual Selling Shareholder (as the case may be) in relation to itself and the Equity Shares offered by such Selling Shareholder through the Offer for Sale

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, any of the Selling Shareholders or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in a wide range of transactions with, and perform services for, our Company, the Selling Shareholders, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks, or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDA, provident funds and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Hyderabad only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements of such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities or any state securities laws in the United States, and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 and electronically on the platform provided by SEBI.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the office of the Registrar of Companies, Hyderabad situated at "2nd Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad, 500 068 Telangana, India.

Listing

Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus, as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders, to the extent applicable, and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/ Offer Closing Date or within such period as may be prescribed by SEBI. Further, the Selling Shareholders shall extend all reasonable support required by our Company and the BRLMs for the completion of the necessary formalities to facilitate the process for listing and commencement of trading at all the Stock Exchanges within six Working Days of the Bid/ Offer Closing Date or within such period as may be prescribed by SEBI.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate as per applicable law, which is presently 15% per annum for the delayed period.

Price information of past issues (during current Fiscal and two Fiscals preceeding the current Fiscal) handled by the BRLMs

A. Edelweiss

1. Price information of past issues handled by Edelweiss Financial Services Limited

S. No.	Issue Name	Issue Size (₹) in million	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Fine Organic Industries Limited	6001.69	783.00	July 2, 2018	815.00	5.72% [6.56%]	Not Applicable	Not Applicable
2.	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	-37.26% [5.22%]	Not Applicable
3.	Galaxy Surfactants Limited	9,370.88	1480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	-14.68 [7.66%]
4.	Amber Enterprises India Limited	6,000.00	859.00^^^	January 30, 2018	1,175.00	27.15% [-5.04%]	32.56% [-2.81%]	10.68% [2.44%]
5.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.27% [-2.83%]	-5.20% [4.13%]
6.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	-28.51 [4.93%]
7.	HDFC Standard Life Insurance Company	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
8.	Reliance Nippon Life Asset Management	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	8.12% [2.05%]	-4.21% [1.59%]
9.	Prataap Snacks Limited	4,815.98	938.00^^	October 5, 2017	1,270.00	25.12% [5.70%]	31.82% [5.60%]	40.99% [3.27%]
10.	ICICI Lombard General Insurance Company	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	18.97% [8.17%]	15.36% [4.06%]

Source: www.nseindia.com

^^^ Amber Enterprises India Limited - Employee Discount of ₹ 85 per Equity Share to the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the Offer Price of Rs. 859 per equity share

^^Prataap Snacks Limited - Employee Discount of ₹ 90 per Equity Share to the Issue Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the issue price of Rs. 938 per equity share

Notes

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
4. *The Nifty 50 index is considered as the Benchmark Index*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

1. Summary statement of disclosure of past issues handled by Edelweiss:

Fiscal Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19*	2	40,802.85	-	1	-	-	-	1	-	-	-	-	-	-
2017-18	11	218,549.76	-	-	1	1	5	4	-	1	3	3	1	3
2016 - 17	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1

** The information is as on the date of the document*

1. Based on date of listing.

2. Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.

3. The Nifty 50 index is considered as the Benchmark Index.

For the financial year 2018-19 – 2 issues have been completed.1 issue has completed 30 days. 1 issue has completed 90 days.

B. ICICI Securities Limited

1. Price information of past issues (during current Fiscal and two Fiscals preceding the current Fiscal) handled by I-Sec:

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	AU Small Finance Bank Limited	19,125.14	358.00	10-Jul-17	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	+95.38%,[+8.06%]
2	Security and Intelligence Services (India) Limited	7,795.80	815.00	10-Aug-17	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	+39.12%,[+8.62%]
3	Matrimony.Com Limited	4,974.79	985.00 (1)	21-Sep-17	985.00	-12.28%, [+0.62%]	-7.64%,[+3.37%]	-16.55%,[-0.27%]
4	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62%, [+6.25%]	+18.97%,[+8.17%]	+15.36%,[4.06%]
5	SBI Life Insurance Company Limited	83,887.29	700.00 (2)	03-Oct-17	735.00	-7.56%, [+5.89%]	-0.07%,[+5.84%]	-2.30%,[3.57%]
6	Newgen Software Technologies Limited	4,246.20	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	+2.51%[-3.51%]	-2.00%,[1.33%]
7	Galaxy Surfactants Limited	9,370.90	1,480.00	8-Feb-18	1,525.00	+1.14%, [-3.31%]	-0.85%[+1.33%]	-14.68%,[7.66%]
8	Aster DM Healthcare Limited	9,801.40	190.00	26-Feb-18	183.00	-13.66%,[-3.77%]	-5.39%,[+1.00%]	-
9	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+19.59%[+4.96%]	+15.41%,[+4.36%]	-
10	HDFC Asset Management Company Limited	28,003.31	1,100.00	06-Aug-18	1,726.25	-	-	-

(1) Discount of ₹98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹985.00 per equity share.

(2) Discount of ₹68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹700.00 per equity share.

Notes:

1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary statement of price information of past issues (during current Fiscal and two Fiscals preceding the current Fiscal) handled by I-Sec:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	2	33,128.11	-	-	-	-	-	1	-	-	-	-	-	-
2017-18	9	208,306.61	-	-	5	1	-	3	-	-	**4**	**1**	**2**	**1**
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/ MIRSD/ 1/ 2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Edelweiss Financial Services Limited	www.edelweissfin.com
2.	ICICI Securities Limited	www.icicisecurities.com

Consents

Consents in writing of: (a) all the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsels, Bankers to our Company, the BRLMs, the Registrar to the Offer have been obtained; and (b) the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents have not be withdrawn as of the date of this Draft Red Herring Prospectus.

Expert to the Offer

Our Company has received written consent from the Statutory Auditors namely, B S R & Associates LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Information each dated July 17, 2018 and the statement of tax benefits dated July 20, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Servel Krishna Engineers Private Limited, chartered engineer to include their names as an "expert" as defined under section 2(38) of the Companies Act in respect of the certificate dated August 2, 2018 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer Expenses

Except for the listing fees which shall be solely borne by the Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the offered shares sold by the Selling Shareholders in the Offer for Sale.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the engagement letters between our Company, the Selling Shareholders and the BRLMs, and as stated in the Syndicate Agreement, copies of which will be made available for inspection at the Registered Office from 10:00 am to 4:00 pm on Working Days from the date of filing of the Red Herring Prospectus until the Bid/ Offer Closing Date.

For details of the Offer expenses, see "*Objects of the Offer*" on page 86.

Commission payable to SCSBs and Registered Brokers

For details of the commission payable to SCSBs and Registered Brokers, see "*Objects of the Offer*" on page 87.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer will be as per the Registrar Agreement, a copy of which will be made available for inspection at the Registered Office from 10:00 am to 4:00 pm on Working Days from the date of filing of the Red Herring Prospectus until the Bid/ Offer Closing Date.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

Grading of the Offer

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Credit Rating

As this is an offer of Equity Shares, credit rating is not required.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Our Company has not issued any securities for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Companies and subsidiaries/ associates of our Company

Our Company does not have any listed group companies or any listed subsidiary

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Companies and subsidiaries of our Company

Our Company has not undertaken any previous public or rights issue. None of our Group Companies or Subsidiaries are listed nor have they undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply to our Subsidiaries or Group Companies.

Outstanding debentures or bonds or other instruments

Our Company does not have any outstanding debentures or bonds or other instruments as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should provide complete details such as name of the sole/ first Bidder, ASBA Form number, the Bidder's, DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder and the ASBA Account number in which the amount equivalent to the Bid Amount is blocked. Further, the Bidder shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole/ first Bidder, Anchor Investor Form number, DP ID, Client ID, PAN, date of the Anchor Investor Form, address of the Anchor Investor, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Form and the name and address of the BRLM where the Anchor Investor Form was submitted by the Anchor Investor.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries including any defaults in complying with their obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Raman Tallam Puranam, Akshay Tanna and Dodla Sunil Reddy as members. For details, see "*Our Management*" on page 170.

Our Company has also appointed Ruchita Malpani, Company Secretary and Compliance Officer of our Company for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Dodla Dairy Limited

8-2-293/82/A/270-Q, Road No 10-C
Jubilee Hills, Hyderabad, 500 033
Telangana, India
Tel: +91 40 4546 7777
Fax: +91 40 4546 7778
E-mail: mail@dodladairy.com
Website: www.dodladairy.com
Corporate Identity Number: U15209TG1995PLC020324

Our Company does not have any company under same management within the meaning of section 370(1B) of the Companies Act, 1956.

Disposal of investor grievances by listed companies under the same management

As of the date of this Draft Red Herring Prospectus, none of the companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956 as that of our Company are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company does not apply.

Changes in Auditors

Our Company had joint auditors, A Ramachandra Rao & Co and BSR & Associates LLP from Fiscal 2013 to Fiscal 2017. In Fiscal 2017, A Ramachandra Rao duly completed their term as the auditors of the Company. Except as aforementioned, there has been no change in the auditors of the Company in the last three years.

Capitalisation of Reserves or Profits

Except as disclosed in "*Capital Structure*" on page 69, our Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not revalued its assets at any time in the last five years.

Our Company, Group Companies and Subsidiaries are listed nor have they been refused listing on any stock exchanges in India or abroad.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/ or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Offer.

Offer for Sale

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders. Except for the listing fees which shall be solely borne by the Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the offered shares sold by the Selling Shareholders in the Offer for Sale.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable law. For further details, see "*Main Provisions of Articles of Association*" on page 425.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, 2013, the Memorandum and Articles of Association, the SEBI Listing Regulations and other applicable laws. All dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer for the entire year, in accordance with applicable law. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 183 and 425, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and all editions of Telugu daily newspaper [●], (Telugu being the regional language of Telangana where our Registered Office is situated) each with wide circulation, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, see "*Main Provisions of Articles of Association*" on page 384.

Option to Receive Securities in Dematerialised Form and Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated October 18, 2012 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated May 4, 2018 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details, please see "*Basis for Allotment*" on page 375.

Joint Holders

Subject to our AoA, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/ authorities in Hyderabad.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures), Rules, 2014, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer equivalent to atleast the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the Bid Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of SEBI ICDR Regulations.

Arrangements for Disposal of Odd Lots

There are no arrangements required for disposal of odd lots since the Equity Shares will be traded only in dematerialized form and the market lot for the Equity Shares is one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, lock–in of the minimum Promoter's contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 72 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. For details, see "*Main Provisions of the Articles of Association*" on page 397.

Period of operation of subscription list

See "*Offer Structure – Bid/ Offer Programme*" on page 345.

OFFER STRUCTURE

Initial public offer of up to [●] Equity Shares for cash at price of ₹[●] (including a premium of ₹[●] per Equity Share) aggregating up to [●] comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹1,500 million by our Company and Offer of Sale of up to 9,543,770 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation [(2)]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer Size being available for allocation to QIBs. However, upto 5% of the Net QIB Portion (excluding Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) not more than [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only	Proportionate	Allotment to each retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, chall be allotted on a proportionate basis. For details see, "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment – Allotment to RIIs*" on page 375
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Shares For Retail Individual Bidders, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion		
Trading Lot	One Equity Share		
Who can apply[(3) (4)]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹250 million, pension fund with	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III Foreign Portfolio Investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs		
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form [(4)]		

∗ *Assuming full subscription in the Issue*

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 344

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR. The Offer is being made through the Book Building Process wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

(3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" from page 375

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 341.

Bidders will be required to confirm and will deemed to have represented to our Company, the Selling Shareholders, the underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Offer

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right not to proceed with the Offer after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges simultaneously. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholders withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an Fresh Issue/ Offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/ Offer Programme

BID/ OFFER OPENS ON	**[●][(1)]**
BID/ OFFER CLOSES ON	**[●][(2)]**

(1) Our Company and the Selling Shareholders, in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company and the Selling Shareholders, in consultation with the BRLMs may consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds in ASBA Accounts	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative other than the Bid/ Offer Opening Date and the Bid/ Offer Closing Date and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed (and the Selling Shareholders shall extend reasonable cooperation with respect to their respective Equity Shares Offered under the Offer for Sale), the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (**"IST"**) during the Bid/ Offer Period (except the Bid/ Offer Closing Date) at the Bidding Centres and the Designated Branches mentioned on the Bid cum Application Form.

On the Bid/ Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system of the Stock Exchanges or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, in any case, no later than 5.00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only on Working Days. None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask for rectified data.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of such revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other Syndicate Members.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to among others the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI ("**General Information Document**") included below under sub-section titled " – **Part B - General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act, 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in applicable laws, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein Net Offer, of not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion (other than the Anchor Investor Portion). 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any portion except in the QIB Portion, would be allowed to be met with spill-over from any other portion or combination of portions, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange and subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms that do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com), at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are submitted on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians (including relevant QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs, applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs applying on a repatriation basis, FPI or FVCIs, registered multilateral and bilateral development financial institutions	[●]
Anchor Investors	[●]

* *Other than electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB or any Banker to the Offer.

Who can Bid?

In addition to the category of Bidders set forth under "- *Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 358, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by Promoter, Promoter Group, BRLMs, Syndicate Members and Persons Related to Them

The BRLMs and Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs) and our Promoters, Promoter Group and any persons related to our Promoters and Promoter Group cannot apply in the Offer in the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of the Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSBs to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible NRI Bidders Bidding

on a non-repatriation basis by using Resident Forms should authorise their respective SCSBs to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of applicable FEMA regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company (on a fully diluted basis) and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company(on a fully diluted basis). In case the total holding of an FPI increases beyond 10% of the total paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI will be reclassified as FDI subject to conditions of the RBI and SEBI in this regard and our Company and the investor will be required to comply with the applicable reporting requirements. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The existing individual and aggregate investment limits for FPI in our Company is 10% and 49% of the total paid-up Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivate instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivate instrument. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and offshore derivate instrument investments held in the underlying company.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations and circulars issued in this regard, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad-based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or NRIs and to entities beneficially owned by resident Indians or NRIs.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

(a) such offshore derivative instruments are transferred to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations prescribe, *inter-alia*, the investment restrictions applicable to the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with the SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to public offerings.

Category I and category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one0thirdsof its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI

AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only, and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. A banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "**IRDA Investment Regulations**"), are broadly set forth below:

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer, and the amount calculated under (a), (b) and (c) below, as the case may be.

(a) *Limit for the investee company*: The lower of: (i) 10%* of the outstanding equity shares (face value); and (ii) 10% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 10% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer), as the case may be;

(b) *Limit for the entire group of the investee company*: Not more than: (i) 15% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer); or (ii) 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) *Limit for the industry sector to which the investee company belongs*: Not more than: (i) 15% of the such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including a re-insurer or a health insurer); or (ii) 15% of the investment asset, whichever is lower.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time.

Bids by Provident Funds/ Pension Funds

In case of Bids made by provident funds/ pension funds with minimum corpus of ₹250 million, subject to applicable laws, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, Government of India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million (subject to applicable laws), Systemically Important NBFCs (as defined under in RBI regulations) a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws must be lodged along with the Bid cum Application Form, as the case may be. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

In accordance with existing regulations, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the BRLMs and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidder's depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

6. If you are an ASBA Bidder, the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

8. Ensure that the name(s) given in the Bid cum Application Form is/ are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

11. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;

12. Except for (i) Bids on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of circular dated June 30, 2008 of SEBI, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms circular dated July 20, 2006 of the SEBI, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

13. Ensure that the Demographic Details are updated, true and correct in all respects;

14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

15. Ensure that the category and the investor status is indicated;

16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;

18. Bidders should note that in case the DP ID, Client ID and PAN mentioned in their Bid cum Application Form and entered into the online bidders system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database;

19. Ensure that you have correctly signed the authorisation/ undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid;

20. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http:// www.sebi.gov.in);

21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus; and

22. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price (including any revisions thereof);

3. Do not pay the Bid Amount in cheques, demand drafts, by cash, money order, by postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. If you are a QIB or Non-Institutional Bidder, do not Bid at Cut-off Price;

6. Do not withdraw or lower the size of your Bid (in terms of number of Equity Shares Bid for, or Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

7. Do not instruct your respective SCSBs to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

9. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

10. Do not submit Bid for an amount more than funds available in your ASBA Account;

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

14. Do not submit more than five Bid cum Application Forms per ASBA Account;

15. Anchor Investors should not bid through the ASBA process;

16. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

17. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

18. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;

19. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;

20. Do not submit the GIR number instead of the PAN;

21. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer; and

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company and the Selling Shareholders in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT). For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], all editions of [●] and all editions of [●] (which are English, Hindi and Telugu daily newspapers, (Telugu being the regional language of Telangana where our Registered Office is located), each with wide circulation. Our Company shall, in the pre-Offer advertisement state the Bid/ Offer Opening Date, the Bid/ Offer Closing Date and the QIB Bid/ Offer Closing Date. This advertisement, subject to the

provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/ Offer Closing Date or any other period as may be prescribed, will be taken;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed time period under applicable laws, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable laws. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that details of all monies utilised out of the Fresh Issue shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which monies have been utilised. Further, details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet, indicating the form in which such amounts have been invested;
- that we shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- intimation of the credit of securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- except for allotment of Equity Shares pursuant to exercise of options under the ESOP Scheme, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in ASBA Account on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms by Bidders.

Undertakings by the Investor Selling Shareholders

Investor Selling Shareholder, with respect to itself only (and not in respect of any other person), undertakes that:

- its portion of the Offered Shares have been held by it for a continuous period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI or have been issued or received in accordance with Regulation 26(6) of the SEBI ICDR Regulations;

- It shall not access the funds raised in the Offer until receipt of final listing and trading approvals from the Stock Exchanges;

- it shall not during the period commencing from the date of the offer agreement and ending on the date, earlier of offer, transfer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of or create any Encumbrances on its portion of the Offered Shares, in relation to any Equity Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Equity Shares;

- Other than the listing fees, which shall be borne by the Company, the Company and the Selling Shareholders shall bear, severally and not jointly, in their respective proportion of the Equity Shares offered in the Offer, all fees and expenses relating to the Offer, in accordance with Applicable Law;

- it shall comply with, the terms and conditions of such approvals and consents, and all Applicable Laws in relation to the Offer or any other matter incidental thereto, including, without limitation, the Securities and Exchange Board of India Act, 1992, the SCRA, the SCRR, the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the foreign direct investment policy and the foreign investment regulations in India, and the guidelines, instructions, rules, communications, circulars and regulations, as amended from time to time, issued by the GoI, the Registrar of Companies, SEBI, the RBI, the Stock Exchanges, the erstwhile FIPB or by any other governmental, regulatory or statutory authority or any court or tribunal.

Undertakings by the Individual Selling Shareholders

Individual Selling Shareholder, with respect to itself only (and not in respect of any other person), undertakes that:

- the Equity Shares offered by it in the Offer have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with the SEBI;

- it shall not have any recourse to the proceeds of the Offer until final listing and trading approvals have been received from the Stock Exchanges;

- it shall take all steps to provide all reasonable assistance to our Company and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, failing which it shall forthwith repay without interest all monies received from Bidders. In case of delay, interest as per applicable laws shall be paid by the Selling Shareholders in proportion to the Offered Shares;

- it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Offered Shares being offered pursuant to the Offer until such time that the lock-in remains effective save and except as may be permitted under the SEBI ICDR Regulations;

- it shall provide all reasonable assistance to our Company and the BRLMs to ensure that the Equity Shares being offered by it pursuant to the Offer shall be transferred to the successful Bidders within the time specified under applicable laws;

- it shall reimburse our Company for expenses incurred in relation to the Offer in the manner agreed to amongst the Selling Shareholders and our Company, in accordance with applicable laws;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Selling Shareholders; and

it shall comply with all applicable laws, including but not limited to the SEBI ICDR Regulations and the Companies Act 2013, and the rules and regulations made thereunder, in relation to the Offer.

Utilisation of Offer Proceeds

The Selling Shareholders along with our Company declare that all monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/ Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/ Applicants should rely on their own examination of the issuer and the Offer, and should carefully read the Red Herring Prospectus/ Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**").

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the Lead Manager(s) to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/ Applicants may see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/ Applicants may refer to the RHP/ Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/ Applicants may refer to the RHP/ Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/ Applicants may refer to the RHP/ Prospectus.

2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the

Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/ Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/ Applicants should refer to the RHP/ Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/ Applicants) and not more than ten Working Days. Bidders/ Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Offer Period. Details of Bid/ Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Offer Period may be extended by at least three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

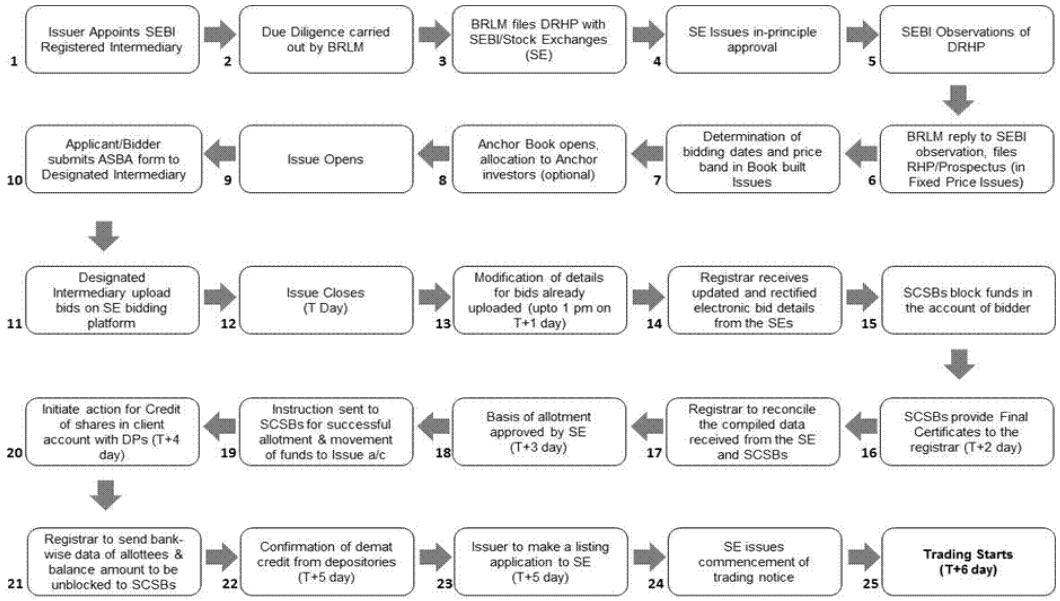
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  i. Step 7: Determination of Offer Date and Price

  ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/ Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/ Applicants, such as NRIs, FPIs and FVCIs may not be allowed to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders/ Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/ Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ Application Form as follows: "Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/ or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/ Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders/ Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders/ Applicants may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/ Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/ Applicants Bidding/ applying in the reserved category	As specified by the Issuer

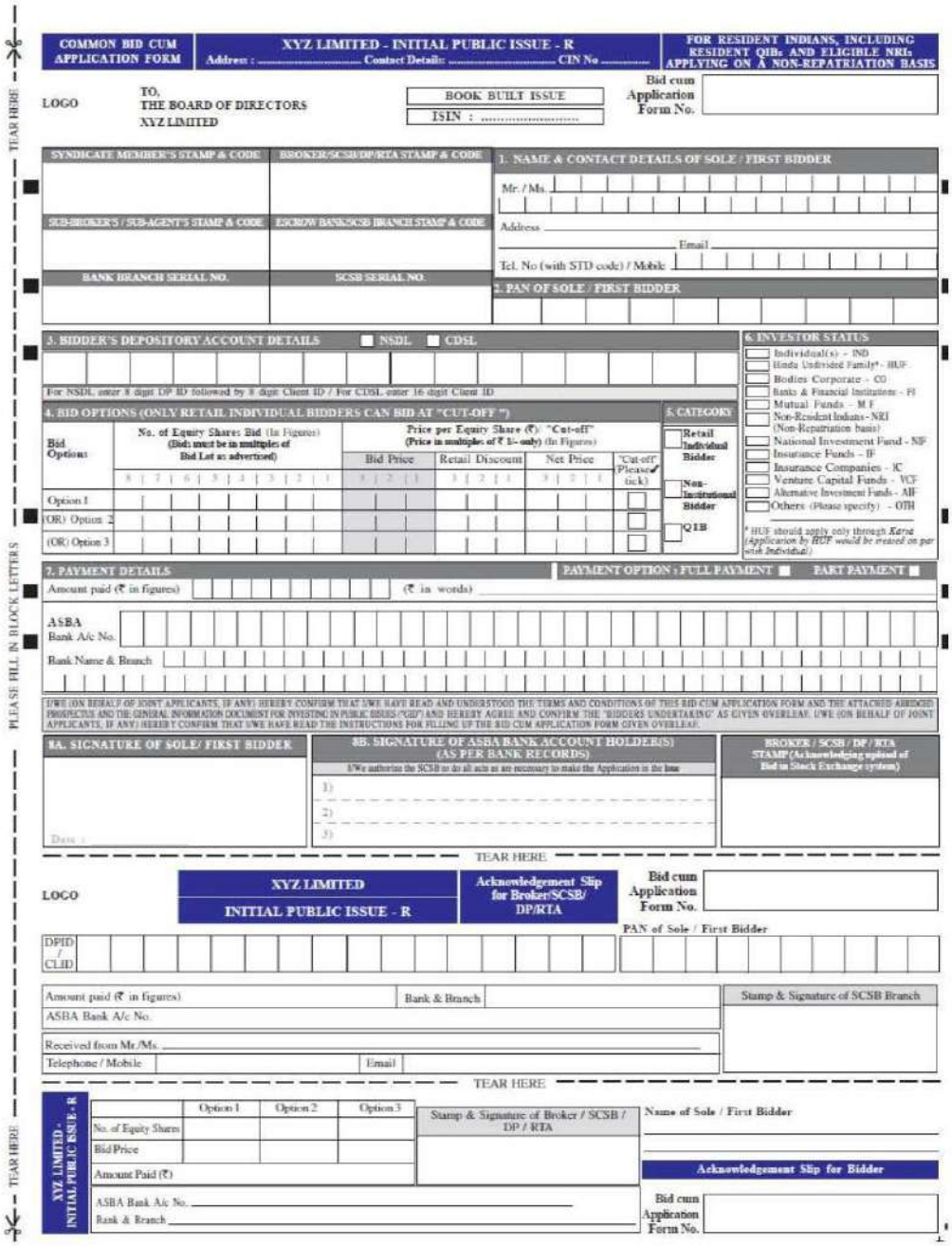
Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

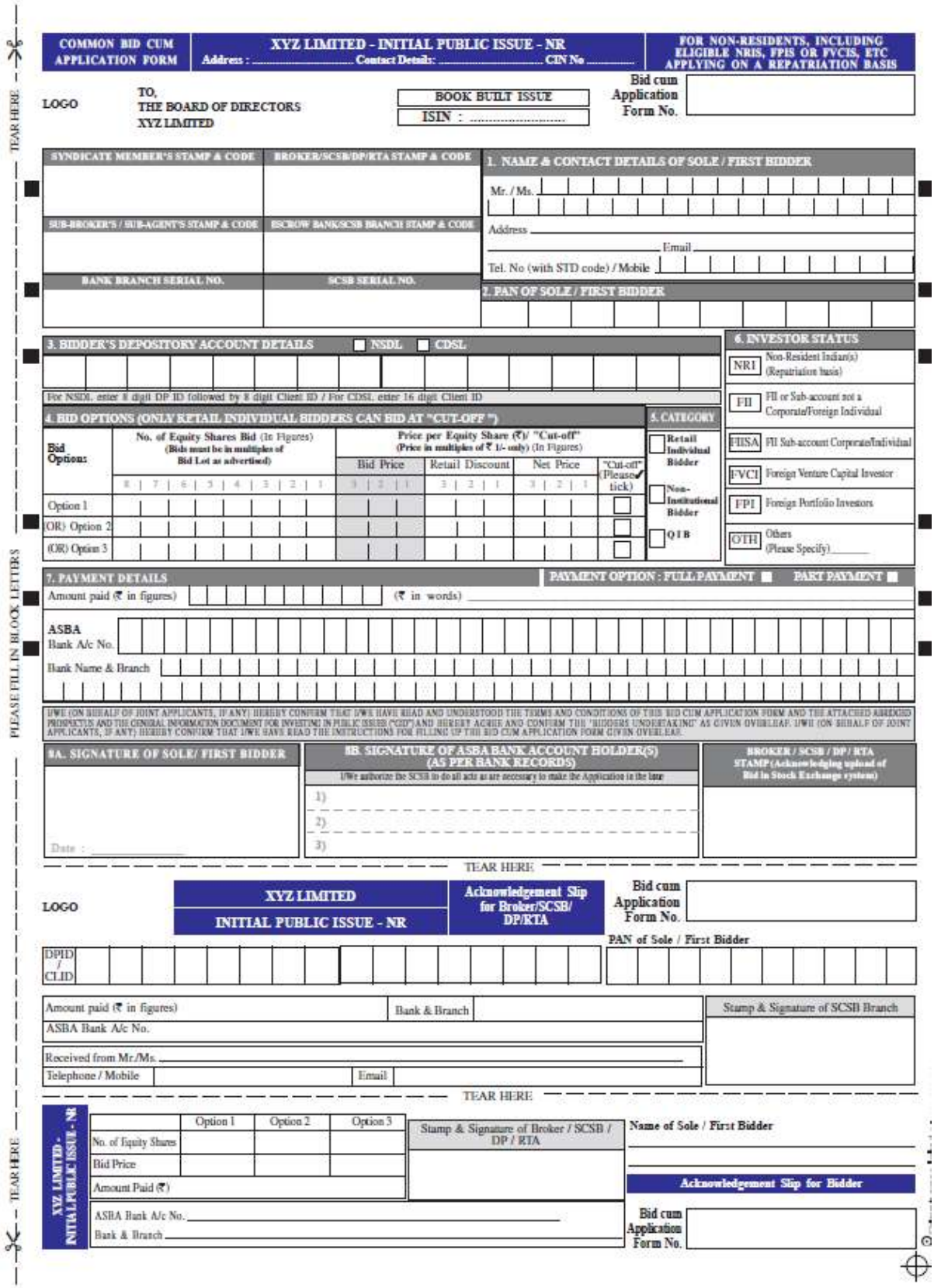
Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below. The samples of the Bid cum Application Form for resident Bidders/ Applicants and the Bid cum Application Form for non-resident Bidders/ Applicants are reproduced below:

Application Form – For Residents



Application Form – For Non – Residents



COMMON BID CUM APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR | FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

Address : ..... Contact Details: ..... CIN No .....

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL: enter 8 digit DP ID followed by 8 digit Client ID / For CDSL: enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)_____

7. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/ APPLICANT**

(a) Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/ Applicants should note that the name and address fields are compulsory and e-mail and/ or telephone number/ mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications

in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/ Applications**: In the case of Joint Bids/ Applications, the Bids/ Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders.

(d) **Impersonation**: Attention of the Bidders/ Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447*.**"

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective CDP.

4.1.2 FIELD NUMBER 2: PAN OF SOLE/ FIRST BIDDER/ APPLICANT

(a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim ("PAN Exempted Bidders/ Applicants"). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. Bids/ Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids by Bidders/ Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and

Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders/ Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/ Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Offer.

(d) Bidders/ Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/ Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Offer Opening Date in case of an IPO, and at least one Working Day before Bid/ Offer Opening Date in case of an FPO.

(b) The Bidders/ Applicants may Bid at or above Floor Price or within the Price Band for IPOs/ FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders/ Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/ Applicants may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders/ Applicants may to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder/ Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder/ Applicant does not exceed ₹200,000 and Eligible Employees Bidding in the Employee Reservation portion can Bid for a Bid Amount not exceeding ₹500,000.

(b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any), then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.

(e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder/ Applicant including QIB Bidder/ Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder/ Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/ Applicant and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder/ Applicant at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders/ Applicants may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder/ Applicant should submit only one Bid cum Application Form. Bidder/ Applicant shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders/ Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders/ Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/ Applicant and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/ Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS/ APPLICANTS**

(a) The categories of Bidders/ Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders/ Applicants may refer to the RHP/ Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/ Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/ Applicants may refer to the RHP/ Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/ Applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/ Applicant may refer to the RHP/ Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/ Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/ Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/ Applicant are requested to refer to the RHP/ Prospectus for more details.

(c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/ Applicant should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder/ Applicant. In case of Bidders/ Applicant specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders/ Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders/ Applicants (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, direct credit or NEFT.

(c) The Banker to the Offer shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders/ Applicants:**

(a) Bidders/ Applicants may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders/ Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, money order, postal order or any

mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders/ Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders/ Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders/ Applicants should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders/ Applicants bidding through a Designated Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.

(h) Bidders/ Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.3 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Offer Closing Date.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders/ Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders/ Applicants may refer to the RHP/ Prospectus.

(c) The Bidders/ Applicants entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/ undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

(d) Bidders/ Applicants must note that Bid cum Application Form/ Application Form without signature of Bidder and/ or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders/ Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/ Applicant, Bid cum Application Form number, Bidders'/ Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

(c) Further, the investor shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

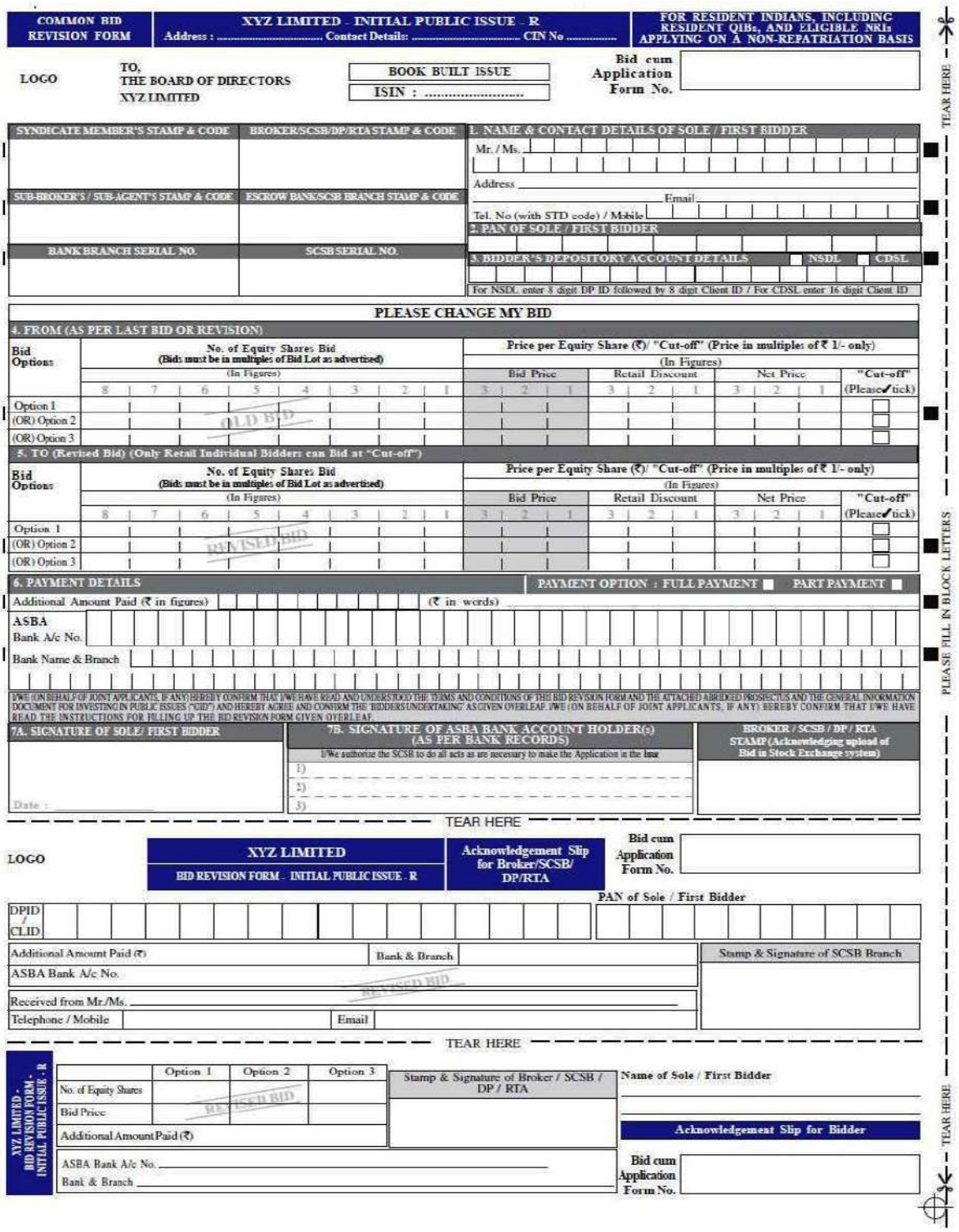
(a) During the Bid/ Offer Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids or withdraw their Bids till the Bid/ Offer Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/ Applicants will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders/ Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : ..... Contact Details: ..... CIN No .....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

TEAR HERE

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms. .....

Address .....

Email .....

Tel. No (with STD code) / Mobile .....

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please✓tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please✓tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

REVISED BID

6. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDER'S UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : .....

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

REVISED BID

Received from Mr./Ms. .....

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

REVISED BID

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No. .....

Bank & Branch .....

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders/ Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options

in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/ Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs and Retail Individual Shareholders, such Bidders/ Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000 and Eligible Employees Bidding in the Employee Reservation portion can Bid for a Bid Amount not exceeding ₹500,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason or ₹500,000 in case of Bids by Eligible Employees Bidding under the Employee Reservation Portion, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/ Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after finalisation of Basis of Allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Offer Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000 and Eligible Employees Bidding under the Employee Reservation Portion should ensure that the application amount payable does not exceed ₹500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Offer.

(b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM

4.4.1 **Bidders may submit completed Bid cum application form/ Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location (b) To the Designated Branches of the SCSBs

(a) Bidders/ Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/ Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/ Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/ Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/ Offer Period, Bidders/ Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/ Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/ Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

(b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/ Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the Lead Managers at the end of the Bid/ Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centres during the Bid/ Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of Basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

Any RIB whose Bid has not been considered for Allotment, due to failures on the part of the SCSB may seek redressal from the concerned SCSB within three months of the listing date in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

(b) The Lead Managers and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders/ Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) Lead Managers and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, entities forming part of the Promoter Group, NIIs & RIIs can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/

Applicants are advised to note that the Bids/ Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

a. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account supported by guardian as per Demographic Details provided by Depositories);

b. Bids by OCBs;

c. Bids by any entity forming part of the Promoter Group;

d. In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

e. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

f. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

g. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

h. PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

i. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

j. Bids for lower number of Equity Shares than the minimum specified for that category of investors;

k. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

l. Bids at Cut-off Price by NIIs and QIBs;

m. The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;

n. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

o. Submission of more than five ASBA Forms as through a single ASBA Account;

p. Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

q. Multiple Bids as defined in this GID and the RHP/ Prospectus;

r. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

s. Where no confirmation is received from SCSB for blocking of funds;

t. Bids by Bidders/ Applicants (other than Anchor Investors) not submitted through ASBA process;

u. Bids submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Banker to the Offer (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

v. Bids not uploaded on the terminals of the Stock Exchanges;

w. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form

x. Bids uploaded without affixing the approval of the IRDA to the Bid cum Application Form, in the event the Allotment of Equity Shares by the Bidder results in the Bidder holding 5% or more of the post-Offer paid up equity capital of our Company; and

y. Bids not uploaded in the Stock Exchanges bidding system.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/ Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/ Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/ Prospectus.

(b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Lead Managers and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/ Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders/ Applicants should *note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.*

Bidders/ Applicants can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, offer size of 3,000 equity shares and receipt of five bids from Bidders/ Applicants, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid quantity	Bid amount (₹)	Cumulative quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the offer price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this offer price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder/ Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/ Applicant is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders/ Applicants is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder/ Applicant, decide whether a Bidder/ Applicant be allowed to revise the bid upwards or downwards in terms of price and/ or quantity and also decide whether a Bidder/ Applicant be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/ Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/ Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to RHP/ Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.4 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/ Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.5 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Selling Shareholders and the Lead Managers, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹100 million;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the Lead Managers, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.6 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders/ Applicants may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders/ Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders/ Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/ Applicant in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder/ Applicant, the Allotment may be made as follows: the successful Bidders/ Applicants out of the total Bidders/ Applicants for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder/ Applicant may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder/ Applicant is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded to the lower whole number. Allotment to all Bidders/ Applicants in such categories may be arrived at after such rounding; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/ Applicants in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders/ Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/ Applicants applying for minimum number of Equity Shares.

7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Banker to the Offer shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders/ Applicants applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

(b) **Issuance of Allotment Advice:** In terms of the Listed Indian Insurance Companies Guidelines, Bidders submitting Bids for Equity Shares representing 1% or more and less than 5% of the post-Offer paid up equity capital of our Company should satisfy the 'fit and proper' criteria set out by our Company, through a self certification process. For details of the 'fit and proper' criteria set out by our Company, see "*Offer Procedure-Bids by Bidders for 1% or more and less than 5% of the post-Offer paid up equity share capital of our Company*" on page 375. Bidders should note than in the event the acquisition of the Equity Shares results in the Bidder holding 5% or more of the post-Offer paid up equity capital of our Company, the approval of the IRDA in this regard will have to be affixed along with the Bid cum Application Form; Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/ Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/ Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/ Applicants Depository Account will be completed within six Working Days of the Bid/ Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/ Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/ Prospectus. The

Designated Stock Exchange may be as disclosed in the RHP/ Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/ Applicants.

If such money is not refunded to the Bidders/ Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/ Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders/ Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate as per applicable law, which is presently 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories, the Bidders'/ Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Banker to the Offer, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Banker to the Offer.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH**— National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Bidders/ Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/ Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/ Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS**—Anchor Investors having a bank account at any of the centres notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any,** through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Banker to the Offer.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/ Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest as per applicable law, which is presently 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/ Offer Closing Date.

The Issuer may pay interest as per applicable law, which is presently 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/ Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/ Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/ Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the draft Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the draft Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the Lead Managers, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by Bidders/ Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders/ Applicants, which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/ Applicant
ASBA Bidder/ Applicant	All Bidders/ Applicants except Anchor Investors
Banker to the Offer/ Escrow Collection Bank(s)/ Collecting Banker	Banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders/ Applicants under the Offer
Bid	An indication to make an offer during the Bid/ Offer Period by a prospective Bidder/ Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/ Applicants upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/ Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/ Applicants may refer to the RHP/ Prospectus for the Bid/ Offer Closing Date
Bid/ Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/ Applicants may refer to the RHP/ Prospectus for the Bid/ Offer Opening Date
Bid/ Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/ Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/ Applicants may refer to the RHP/ Prospectus for the Bid/ Offer Period
Bidder/ Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/ Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/ Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres/	Broker centres notified by the Stock Exchanges, where Bidders/ Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/ Lead Manager/ LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/ Prospectus and the Bid cum Application Form of the Issuer. In case of Offers undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)

Term	Description
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/ CFD/ POLICYCELL/ 11/ 2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/ Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/ Applicants including the Bidders'/ Applicants' address, name of the Applicant's father/ husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/ Applicants (excluding Anchor Investors) and a list of which is available on http:// www.sebi.gov.in/ cms/ sebi_data/ attachdocs/ 1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders/ Applicants can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Banker to the Offer from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/ Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Members of the Syndicate, Sub-Syndicate/ Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders/ Applicants, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders/ Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/ Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/ Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/ Applicant may refer to the RHP/ Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Banker to the Offer and in whose favour the Anchor Investors may transfer money through NEFT, direct credit or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Banker to the Offer and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Banker to the Offer	Refer to definition of Banker to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/ Applicant	The Bidder/ Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Offer/ Fixed Price Process/ Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable

Term	Description
Issuer/ Company	The Issuer proposing the initial public offering/ further public offering as applicable
Locations	Bidding centres where the syndicate shall accept ASBA Forms from Bidders/ Applicants
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/ Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/ Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/ Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/ Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/ Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Offer. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/ Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	Date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/ CFD/ POLICYCELL/ 11/ 2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate

Term	Description
Registrar to the Offer/ RTO	The Registrar to the Offer as disclosed in the RHP/ Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/ Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/ Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/ RIIs	Investors who applies or bids for a value of not more than ₹200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders/ Applicants in an issue through Book Building Process to modify the quantity of Equity Shares and/ or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http:// www.sebi.gov.in/ cms/ sebi_data/ attachdocs/ 1316087201341.html
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/ SM	The Syndicate Member(s) as disclosed in the RHP/ Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than the second and fourth Saturdays of each month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, when referring to (a) announcement of Price Band; and (b) Bid/ Offer Period, the term shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/ HO/ CFD/ DIL/ CIR/ P/ 2016/ 26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company without any further action, including any corporate action, by the Company or by the Shareholders.

PART I

1. CONSTITUTION OF THE COMPANY

a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*

b) *The regulations for the management of the Company and for the observance of the Shareholders thereof and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. "**Act**" means the Companies Act, 2013 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and all rules and clarifications issued thereunder or the Companies Act, 1956 and the rules issued thereunder (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and shall include all amendments, modifications and re-enactments of the foregoing. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

b. "**ADRs**" shall mean American Depository Receipts representing ADSs.

c. "**Annual General Meeting**" shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.

d. "**ADSs**" shall mean American Depository Shares, each of which represents a certain number of Equity Shares.

e. **"Articles"** shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and the Act.

f. **"Auditors"** shall mean and include those persons appointed as such for the time being by the Company.

g. **"Board"** shall mean the board of directors of the Company, as constituted from time to time, in accordance with law and the provisions of these Articles.

h. **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

i. **"Beneficial Owner"** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.

j. **"Business Day"** shall mean a day, not being a Saturday or a Sunday or public holiday, on which banks are open for business in Bengaluru, India and, in the context of a payment being made to or from a scheduled commercial bank in a place other than India, in such other place.

k. **"Capital" or "Share Capital"** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.

l. **"Chairman"** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.

m. **"Companies Act, 1956"** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.

n. **"Company" or "this Company"** shall mean **DODLA DAIRY LIMITED,** a company incorporated under the laws of India**.**

o. **"Committees"** shall mean a committee constituted in accordance with Article 74.

p. **"Debenture"** shall have the meaning assigned to it under the Act.

q. **"Depositories Act"** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

r. **"Depository"** shall mean a depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

s. **"Director"** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.

t. **"Dividend"** shall include interim dividends.

u. "**Equity Share Capital**" shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.

v. "**Equity Shares**" shall mean fully paid-up equity shares of the Company having a par value of INR **10/-** (Rupees **Ten**) per equity share, and INR **10/-** (Rupees **Ten**) vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.

w. **"Executor"** or **"Administrator"** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

x. **"Extraordinary General Meeting"** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;

y. "**Financial Year**" shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

z. "**Fully Diluted Basis**" shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.

aa. **"GDRs"** shall mean the registered Global Depositary Receipts, representing GDSs.

bb. **"GDSs**" shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.

cc. **"General Meeting"** shall mean a meeting of holders of Equity Shares and any adjournment thereof and constituted in accordance with the provisions of the Act.

dd. "**Independent Director**" shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.

ee. **"India"** shall mean the Republic of India.

ff. **"Law"** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, including

the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.

gg. "**Managing Director**" shall have the meaning assigned to it under the Act.

hh. "**MCA**" shall mean the Ministry of Corporate Affairs, Government of India.

ii. "**Memorandum**" shall mean the memorandum of association of the Company, as amended from time to time.

jj. **"Office"** shall mean the registered office for the time being of the Company.

kk. **"Officer"** shall have the meaning assigned thereto by Section 2(59) of the Act.

ll. **"Ordinary Resolution**" shall have the meaning assigned thereto by Section 114 of the Act.

mm. "**Paid up**" shall include the amount credited as paid up.

nn. "**Person**" shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

oo. "**Promoters**" shall mean Dodla Sunil Reddy, Dodla Sesha Reddy and Dodla Family Trust.

pp. "**Register of Members**" shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.

qq. "**Registrar**" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

rr. "**Rules**" shall mean the rules made under the Act and notified from time to time.

ss. "**Seal**" shall mean the common seal(s) for the time being of the Company.

tt. "**SEBI**" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

uu. "**SEBI Listing Regulations**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

vv. **"Secretary"** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.

ww. "**Securities**" shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

xx. **"Share Equivalents"** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

yy. "**Shareholder**" shall mean any shareholder of the Company, from time to time.

zz. "**Shareholders' Meeting**" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

aaa. **"Special Resolution"** shall have the meaning assigned to it under Section 114 of the Act.

bbb. **"Transfer"** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "**Transferred**" shall be construed accordingly.

ccc. "**Tribunal**" shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

(i) References to a party shall, where the context permits, include such party's respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

(xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.

(xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

(i) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(ii) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital in accordance with the Act, applicable Law and these Articles.

(iii) The Share Capital of the Company may be classified into shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

(iv) Subject to Article 4(iii), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(v) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly Paid up shares and if so issued shall be deemed as fully/partly Paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

(vi) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

(vii) Nothing herein contained shall prevent the Directors from issuing fully Paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(viii) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(ix) All of the provisions of these Articles shall apply to the Shareholders.

(x) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(xi) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

6. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

(a) No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) No such preference shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the preference shares are redeemed;

(d) Where any such preference shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the preference shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

(f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

(g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/ GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights, in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

(c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination;

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own shares or other Securities, as may be specified by the Act read with the Rules made thereunder from time to time, and as may be prescribed by the MCA or the SEBI, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and the Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to provisions of the Act and applicable Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

(a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, cause to be kept the following registers in terms of the applicable provisions of the Act

(i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(ii) A register of Debenture holders; and

(iii) A register of any other security holders.

(b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

(c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) A duplicate certificate of shares may be issued, if such certificate:

i. is proved to have been lost or destroyed; or

ii. has been defaced, mutilated or torn and is surrendered to the Company.

(c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of Depository shall be the *prima facie* evidence of the interest of the beneficial owner.

(e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate, within a period of 30 days from the receipt of such lodgement.] Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.

(f) The provisions of this Article shall *mutatis mutandis* apply to Debentures and other Securities of the Company.

(g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

(i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (h) of this Article.

(k) All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

(n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit. to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

(b) Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the stock exchanges and SEBI, the Directors may impose the condition that the Equity Shares or Debentures of the Company so allotted shall not be transferable for a specified period.

(c) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.

(d) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(e) In accordance with Section 56 and other applicable provisions of the Act and the Rules:

(i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under Section 46 of the Act and the Rules framed thereunder. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue.

(ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

(iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. COMMISSION AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any Person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

(a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any Person except with the sanction of the Company in the General Meeting.

(b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

(a) The Company shall have a first and paramount lien:

(i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on such partly paid shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully Paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the Person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or

installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the Person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

(a) Where at any time, the Company proposes to increase its subscribed Capital by the issue of further shares, such shares shall be offered—

(i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed under Law.

(b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed Capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

(d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.

(g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by

executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and Debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) The Company shall not register the transfer of its Securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.

(s) The Board may delegate the power of transfer of Securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the delegated authority shall report on transfer of Securities to the Board in each meeting.

(t) There shall be a common form of transfer in accordance with the Act and Rules.

(u) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, and subject to the applicable provisions of the Act, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, hold the Securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.

(d) If a Person opts to hold his Securities with a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every Person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the Person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other Person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more Persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and Debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of Securities on surrender by a Person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of Securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

(a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

(b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

(d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

(e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO SHAREHOLDERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up Capital, free reserves and securities premium of the Company, the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

(a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(b) (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.

(ii) Not more than one person shall be recognised as depositor of the share warrant.

(iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.

(c) (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.

(ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.

(d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

(e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

(b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) Where the shares are converted into stock, such of the Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock -holder" respectively.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the

provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

(a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(b) Auditor or Auditors of the Company, and

(c) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(g) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

41. VOTES OF SHAREHOLDERS

(a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) No shareholder shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

(c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(k) A Shareholder present by proxy shall be entitled to vote only on a poll.

(l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

(m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.

(n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -

a) the names of the Directors and Alternate Directors present at each General Meeting;

b) all Resolutions and proceedings of General Meeting.

(r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.

(s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(u) The Shareholders shall exercise their voting rights as Shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

42. DIRECTORS

(a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

(b) Subject to applicable law and approval by the Board, the shareholders of the Company and these Articles, on and from the date on which the Equity Shares are listed on the stock exchange, TPG Dodla Dairy Holdings Pte. Ltd. shall have the right to nominate 1 (one) director on the Board of the Company, if shareholding of TPG Dodla Dairy Holdings Pte. Ltd. in the Company is 5 percent or more of the paid up equity share capital of the Company on a fully diluted basis.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

(a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during

his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42**.** Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, the Act and the applicable Law, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that

lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

(b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

(c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

(d) Subject to the provisions of the Act and these Articles. all fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

(a) Subject to relevant provisions of Sections 167, and 188 other relevant provisions of the Act, the office of a Director, shall *ipso facto* be vacated if:

(i) he is found to be of unsound mind by a court of competent jurisdiction; or

(ii) he applies to be adjudicated an insolvent; or

(iii) he is adjudged an insolvent; or

(iv) he is convicted by a court of any offence involving moral turpitude or otherwise, and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or

(v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call; or

(vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 12 (twelve) months, whichever is longer, without obtaining leave of absence from the Board; or

(vii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(viii) he acts in contravention of Section 184 of the Act; or

(ix) he becomes disqualified by an order of a court or the Tribunal; or

(x) he is removed in pursuance of Section 169 of the Act; or

(xi) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

(a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :

(i) sale, purchase or supply of any goods or materials;

(ii) selling or otherwise disposing of, or buying, property of any kind;

(iii) leasing of property of any kind;

(iv) availing or rendering of any services;

(v) appointment of any agent for purchase or sale of goods, materials, services or property;

(vi) such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(vii) underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a resolution in accordance with Section 188 of the Act.

(b) no Shareholder of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

(c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis

(d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

(f) The term 'related party' shall have the same meaning as ascribed to it under the Act.

(g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up share capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void;

1. in his being a shareholder holding not more than 2 (two) per cent of its Paid-up share capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

(c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

(d) A Director may be or become a Director of any company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

In accordance with Section 152 of the Act, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Director(s) appointed as nominee Director(s), or the Director(s) appointed as a Debenture Director(s), or the Director(s) appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article, shall they be included in calculating the total number of Directors of whom one thirds shall be liable to retire by rotation from office in terms of Section 152 of the Act.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board , expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any applicable provisions of the Act; or

(v) Section 162 of the Act is applicable to the case.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

The Company shall in respect of each of its Directors and key managerial personnel keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the

Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

(a) to make calls on Shareholders in respect of money unpaid on their shares;

(b) to authorise buy-back of Securities under Section 68 of the Act;

(c) to issue Securities, including Debentures, whether in or outside India;

(d) to borrow money(ies);

(e) to invest the funds of the Company;

(f) to grant loans or give guarantee or provide security in respect of loans;

(g) to approve financial statements and the Board's report;

(h) to diversify the business of the Company;

(i) to approve amalgamation, merger or reconstruction;

(j) to take over a company or acquire a controlling or substantial stake in another company;

(k) fees/ compensation payable to non-executive directors including independent directors of the Company; and

(l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of and subject to the provisions of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(b) to borrow money; and

(c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

(a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two- thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

(a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

(b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:-

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of Association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

ii. Remit, or give time for repayment of, any debt due by a Director;

iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the Paid-up Capital, free reserves and securities premium of the Company.

74. COMMITTEES AND DELEGATION BY THE BOARD

The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or Persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

(a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

(b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.

(c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -

(i) all appointments of Officers;

(ii) the names of the Directors present at each meeting of the Board;

(iii) all resolutions and proceedings of the meetings of the Board;

(iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.

(f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

(g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.

(h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

(i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the Person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all Persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any Person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

(a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

(b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

(c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

(d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

(e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

83. THE SECRETARY

(a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

(b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

(a) on terms approved by the Board;

(b) which includes each Director as a policyholder;

(c) is from an internationally recognised insurer approved by the Board; and

(d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

85. SEAL

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.

(b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.

(c) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two (2) directors and of the secretary or such other person as the Board may appoint for the purpose; and those two (2) directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

86. ACCOUNTS

(a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under the applicable Law, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

(b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

(d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.

(f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:

(i) the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;

(ii) number of meetings of the Board;

(iii) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;

(iv) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;

(v) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act;

(vi) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

1. by the auditor in his report; and

2. by the company secretary in practice in his secretarial audit report;

(vii) particulars of loans, guarantees or investments under Section 186 of the Act;

(viii) particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;

(ix) the state of the Company's affairs;

(x) the amounts, if any, which it proposes to carry to any reserves;

(xi) the amount, if any, which it recommends should be paid by way of Dividends;

(xii) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;

(xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

(xiv) a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;

(xv) the details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year;

(xvi) a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors, as may be prescribed for listed companies; and

(xvii) such other matters as may be prescribed under the Law, from time to time.

(g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

(h) The Company shall comply with the requirements of Section 136 of the Act.

87. AUDIT AND AUDITORS

(a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.

(b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

(c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.

(e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

(f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

(j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

(a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

(c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.

(d) Every Person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the Register of Members, shall have been duly served on or given to the Person from whom he derives his title to such Share.

(e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

(f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

(g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a shareholder has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each shareholder an opportunity to register his email address and change therein from time to time with the Company or the concerned Depository. The Company shall fulfill all conditions required by Law, in this regard.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON SHAREHOLDERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the Persons entitled to a share in consequence of the death or insolvency

of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

(i) To the Shareholders of the Company as provided by these Articles.

(ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both, provided that in computing profits any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded. The Company shall not declare Dividend unless carried over previous losses and depreciation not provided in previous Financial Year or years are set off against profit of the Company for the Financial Year for which the Dividend is proposed to be declared. Where the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the free reserves, owing to inadequacy or absence of profits in the Financial Year for which the Dividends are proposed to be declared, such declaration of Dividend shall not be made except in accordance with provisions of the Act and the Rules.

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

(d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies in accordance with the provisions of the Section 123 of the Act.

(e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(k) Unless otherwise directed any Dividend shall be paid through electronic mode of payment facility approved by the Reserve Bank of India. Where it is not possible to use electronic mode of payment, dividend may be paid by 'payable at par' cheques or warrants sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the General Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

(n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

(o) The Company may pay dividends on shares in proportion to the amount Paid-up on each Share in accordance with Section 51 of the Act.

97. UNPAID OR UNCLAIMED DIVIDEND

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.

(b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law and such forfeiture, if effected, shall be annulled in appropriate cases.

98. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

(a) The Board shall give effect to a Resolution passed by the Company in pursuance of this Article.

(b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(c) The Board shall have full power:

i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fraction; and

ii. to authorize any Person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully Paid up, of any further shares or Debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

(a) If the company shall be wound up , the liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Shareholder shall be compelled to accept any shares or other Securities whereon there is any liability.

101. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, manager and other Officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out from the funds of the Company all costs, losses and expenses which any Director, manager, Officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, manager, Officer or employee in defending any proceedings, whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all the claims.

102. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office shall be paid and borne by the Company.

103. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the Board and Shareholders shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines for inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

104. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company may amend its Memorandum of Association and Articles of Association in accordance with Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time. The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.

(a) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(b) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

105. SECRECY

No Shareholder shall be entitled to inspect the Company's work without permission of the Managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of

the Company and which in the opinion of the Managing Director/Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

106. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, Officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the Company's affair.

107. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

PART II

Part II of these Articles includes the rights and obligations of the shareholders of the Company.

In the event of any inconsistency between Part I and Part II of these Articles, the provisions of Part II of these Articles shall prevail. Part II of these Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of the Equity Shares on a stock exchange in India, subsequent to an initial public offering of the Equity Shares, without any further action by the Company or its shareholders

TABLE'F' TO APPLY

DODLA DAIRY LIMITED

(the **Company**)

ARTICLES OF ASSOCIATION

(the **Articles**)

1. The regulations contained in Table F of the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles

DODLA DAIRY LIMITED

(the "**Company"**)

ARTICLES OF ASSOCIATION

A. The regulations contained in Table 'F' of the First Schedule to the Companies Act, 2013, as they are applicable to a Public Company as defined in the Companies Act, 2013, shall apply to this Company so far as they are not modified, varied, amended or altered by these Articles of Association of the Company, as amended from time to time (these "**Articles**"). These Articles shall be divided into two parts, Part A and Part B, as defined below. In the event of any conflict, inconsistency or contradiction between the provisions of Articles 2 (other than Article 2.3) 3, 7, 8, 11, 20, 26, 27, 28, 29 ("**Part A**") and any other provisions of these Articles ("**Part B**"), the provisions of Part B shall prevail and override. Further, in the event of any conflict or ambiguity in the interpretation of Part B, reference shall be made to the SHA (*as defined hereafter*), and the conflict or ambiguity shall be resolved in a manner whereby the intent contained in the SHA is effected. It is acknowledged that the intention of the Shareholders is to incorporate the entire provisions of the SHA in these Articles, and the Shareholders shall be obliged to take all necessary steps (including convening of meetings as may be required for this purpose, and voting in favour of amendments to these Articles) from time to time for this purpose. Notwithstanding anything else to the contrary in these Articles, any alteration, amendment or modification to Part B of these Articles, shall require the prior consent of the Investor, and the Part B of these Articles shall be deemed to be entrenched provisions for the purposes of the Act.

1 **DEFINITIONS AND INTERPRETATIONS**

1.1 **Definitions**

Unless the context requires otherwise: (a) the following words and expressions shall have the following meanings; (b) capitalised terms defined by inclusion in quotations or parenthesis have the meanings so ascribed and (c) if not defined elsewhere in these Articles, shall have the meaning ascribed to them in the SHA.

"Act" means the Companies Act, 2013 and the notifications, rules and regulations made thereunder from time to time and all future re-enactments, amendments and substituting acts; and the Companies Act, 1956, to the extent as maybe applicable.

"Adjustment Factors" shall have the meaning ascribed to the term in Article 23.9.2.

"Affiliates" means: (a) with respect to any Person other than a natural person, any other Person that directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such Person; and (b) in the case of any Person who is a natural person, any Person who is a Relative of such a natural person or any Person who is Controlled by, or under common Control of, such natural person; and (c) notwithstanding the foregoing, with respect to the Promoters only, any Person who is an Immediate Relative of the relevant Promoters or any Person who is Controlled by, or under common Control of such Promoters (including the Trust). Without limiting the generality of the

foregoing, with respect to the Investor, Affiliates shall include any Investor Related Party. It is clarified that in the event any Affiliate hereinabove is a trust, a reference to such Affiliate shall be deemed to include the trustees and the beneficiaries of such trust.

"**Affirmative Vote Items**" means each of the following items/matters:

a) Amendments to the Memorandum or Articles or the memorandum or articles of association of a Subsidiary or any change in the corporate nature of the Company or the trademark/brand under which the Company operates in its normal course.

b) Any changes or variation in the capital structure of the Company or securities issued by the Company, including, but not limited to, the: (i) issuance of new Securities (whether by bonus issue, rights issue or otherwise); and (ii) the alteration, recapitalization, reclassification or change in the rights, preferences or privileges of any class of Shares.

c) Any transfer of licenses or Government Approvals from the Company to a Subsidiary or from one Subsidiary to another Subsidiary or from a Subsidiary to the Company.

d) Entry by the Company or a Subsidiary into any related party transactions with a Shareholder or entry into a contract which is unusual or onerous for entities engaged in the Business or business which is similar to the Business (including, without limitation, any contract that limits the Company's or a Subsidiary's ability to compete) or a commitment outside of the ordinary course of business.

e) Any debtor covenant agreed to by the Company or the Subsidiaries provided such covenant has not been made by the Company and / or the Subsidiaries in any previous transaction to any lender.

f) Approval or any changes to the Business Plan.

g) Incurrence of any Indebtedness or a guarantee in respect of Indebtedness in excess of, or addition to, what is approved in the Business Plan of the Company or its Subsidiaries or entering into any compromise with any of the creditors or entering into any derivative transactions other than in the ordinary course.

h) Entry into a new business (other than the Business), or discontinuing or materially changing any business currently undertaken, by the Company or its Subsidiaries (including, without limitation, any material change to the Business).

i) Approval, amendment or administration of any employee stock option plan (including the ESOP Plan) or the allocation of options thereunder (including under the ESOP Plan) or any issue and allotment of Equity Shares pursuant thereto.

j) Appointment, termination, amendment or waiver of any rights or variation of the terms of remuneration or payment of any fee or compensation under the agreements executed by the Company or its Subsidiaries with Key Employees and senior managerial personnel including, but not limited to, the Chairman, the Managing Director, the CEO, the CFO and heads of departments. Appointment or change of auditors / internal auditors of the Company or the Subsidiaries.

k) Disposition, sale, lease, license or transfer (including creation of an Encumbrance) in any manner whatsoever (including by way of a demerger) of any Material Asset (tangible and intangible) of the Company or the Subsidiaries.

l) Any acquisition of Assets of a value of INR 30,000,000 (Rupees thirty million only) or more.

m) Entry into, or transfer of rights or obligations under, or termination of, any Material Contracts, save and except to a wholly owned Subsidiary.

n) Save as approved in the Business Plan, any merger, acquisition, joint venture or consolidation recapitalization, reorganization or other business combination of, or by, the Company (or the amendment of any terms of any such existing arrangements) including formation or sale of, or further subscription/acquisition in, any wholly or partly owned Subsidiary.

o) Acquisition / creation or incorporation / investment / divestment / dilution of a shareholding, or interest, in any Subsidiary or other entity.

p) Adoption of any distribution policy of the Company or the Subsidiaries, and any decisions on dividends or distribution of capital or capitalisation of reserves.

q) Unless otherwise provided in these Articles, all decisions relating to the QIPO or any other public offering, as the case may be, of the Company, including, but not limited to, timing, size, pricing and appointment of merchant bankers and delisting of the Company and the Subsidiaries.

r) Capital expenditure in excess of what is approved in the Business Plan of the Company and the Subsidiaries or any deviation from any other expenditure / aspect of the Business Plan in excess of 10% (ten percent) of what is provided in the Business Plan.

s) Adopting or approving annual accounts (including audited accounts) or operating budget of the Company and the Subsidiaries.

t) Appointment or removal of the statutory or internal auditor, if such auditor is not a Big 4 Firm.

u) Creation of a charge, or any other Encumbrance, on the assets of the Company or the Subsidiaries other than for debt approved under the Business Plan of the Company or the Subsidiaries.

v) Any material change in the corporate governance policy and / or any changes in the composition of the Board, the board of directors of a Subsidiary and / or the various committees of the Board or the board of directors of a Subsidiary, appointment of any committee / sub-committee of the Board or the board of directors of a Subsidiary, the assignment of any power or authority of the Board or the board of directors of a Subsidiary to any person, committee or sub – committee, in each case, other than in accordance with the terms of these Articles or any agreement or other understanding (in writing) between the Company and the Investor.

w) Passing of any special resolution as per the Act (or similar legislation applicable to the Subsidiaries).

x) Approving any share transfers other than in accordance with these Articles.

y) Any change in the accounting year of the Company and the Subsidiaries and any change in the accounting methods of the Company other than as required under Applicable Law or applicable accounting standards.

z) Securitization of cash flows of the Company and the Subsidiaries.

aa) Instituting, settling, withdrawing or compromising any legal proceedings for an amount exceeding INR 1,000,000 (Rupees one million only) with any Person. Provided that, nothing in this Paragraph (aa) shall apply to any proceedings under Clause 22 of the SHA.

bb) Any payments made by the Company to its Subsidiaries, which payment has not been approved under the Business Plan.

cc) Winding up or liquidation of the Company or any of the Subsidiaries.

dd) Making any investment or taking up any obligation in relation to Global Vetmed.

ee) Entry into any joint venture or other profit sharing arrangement by the Company or any Subsidiary.

ff) Any: (i) change in the Company's milk procurement strategy pursuant to which the milk sourced directly from farmers and / or the number of farmers from whom milk is sourced by the Company reduces by 20% (twenty percent) or more (in each case, as benchmarked against the Offtake KPIs for the relevant Financial Year) other than changes to milk procurement levels and / or farmer engagement which are directly related to, or caused by, one or more Adjustment Factors; and/or (ii) decision by the Company to pay farmers a price for raw milk offtake which is 5% (five percent) (or more) below the price that would satisfy the FMV Condition, unless otherwise approved in the Business Plan or where the change in price is directly related to an Approved Pricing Exception.

gg) Any act or commitment to do any of the foregoing, including in relation to any Subsidiaries.

"**Alternate Director**" shall have the meaning ascribed to it in Article 9.2.8.

"**Anti-Corruption Law(s)**" means the United States Foreign Corrupt Practices Act of 1977, as amended, the United Kingdom Bribery Act 2010, as amended, the India Prevention of Corruption Act, 1988, as amended, or any other law

which prohibits the conferring of any gift, payment or other benefit on any person or any officer, employee, agent or adviser of such person, or which has as its objective the prevention of corruption and / or bribery.

"**Anti-Money Laundering Law(s)**" means laws regulations or sanctions in India or any other jurisdiction where the Company or Investor carries out its business that (i) limit the use of and /or seek the forfeiture of, proceeds from illegal transactions; (ii) may require the Investor to obtain information on the identity of, and source of funds for investment by, the Company or its affiliates; (iii) limit commercial transactions with designated countries or individuals by virtue of their participation (or suspected participation) in terrorism, narcotics dealing, illegal weapons proliferation, or other acts defined by those laws as contrary to the interests of such countries in which the Investor or the Company does business; or (iv) are designed to disrupt the flow of funds to terrorist organizations, in each case to such extent as applicable to the Company.

"**Applicable Law(s)**" means all applicable:

(a) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bylaws, regulations, listing agreements, notifications, guidelines or policies issued by any Governmental Authority; and

(b) administrative interpretations, writs, injunctions, directions, directives, judgements, arbitral awards, decrees, orders or Approvals of, or agreements with, any Governmental Authority or Recognised Stock Exchange;

as may be in force from time to time.

"**Approved Pricing Exception**" shall have the meaning ascribed to the term in Article 23.9.3.

"**Approved Valuer**" means any of the entities listed below:

(1) Kotak Mahindra

(2) Axis Bank

(3) JM Financial

(4) Edelweiss

(5) ICICI Securities

"**Articles**" means the articles of association of the Company, as amended from time to time.

"**Asset**" means any property, and includes all rights, interests and privileges of every kind, nature, character and description therein (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise), including cash, cash equivalents, receivables, securities, accounts and note receivables, plant and machinery, equipment, trademarks, brands, other intellectual property, raw materials, inventory, furniture, and fixtures.

"**Big 4 Firm**" means KPMG, PricewaterhouseCoopers, EY, Deloitte Touche Tohmatsu, or their affiliates eligible to practice in India, as per Applicable Law.

"**Board**" or "**Board of Directors**" means the board of directors of the Company, as constituted from time to time, in accordance with the terms of these Articles.

"**Board Meeting**" means a duly convened meeting of the Board.

"**Business**" means the business of manufacturing milk / dairy products, processing and packaging of milk and milk / dairy products and selling such manufactured and processed products.

"**Business Day**" or "Working Day" means a day (excluding Saturdays and Sundays) on which banks generally are open in Hyderabad (India) and Singapore for the transaction of normal banking business.

"**Business Plan**" means the annual business plan containing key performance indicators, a quarterly budget, projections of the Company for the subsequent Financial Year, an annual income statement, a statement of annual cash flow, a balance sheet, a statement of the milk procurement strategy of the Company, and a detailed breakdown of the working capital requirements of the Company.

"**Chairman**" shall have the meaning ascribed to the term in Article 9.2.7.

"**Closing Date**" shall mean [*insert date*].

"**Company Secretary**" shall have the meaning ascribed to it under section 2 (24) of the Act.

"**Company Subsidiaries**" means the entities detailed in Annexure 6 of the SHA.

"**Competitor**" shall have the meaning ascribed to term in the SHA.

"**Consent**" or "**Approval**" means any permission, approval, consent, waiver, grant, license, order, decree, authorization, authentication of, or registration, qualification, designation, notice, declaration or filing with or notification, exemption or ruling to or from any Governmental Authority or any other Person (including the Government Approvals).

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**") means, in relation to a body corporate, the right to exercise, or control the exercise of, whether directly or indirectly, acting alone or together with another Person, more than 50% (fifty percent) of the total voting rights at a general meeting of that body corporate, or the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions or management of that body corporate, including the right to appoint majority of the board of directors of that body corporate, and, in relation to any Person which is not a body corporate or an individual, the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions or management of that Person.

"**Covered Person**" shall mean the Company; the Promoters; the Company's Affiliates; any director, officer, or employee of the Company; and any person or entity acting under the authority of or at the direction of, or that is otherwise entitled (by contract or applicable law) to bind legally or create enforceable obligations for or against, the Company.

"**Critical Affirmative Vote Items**" means each of the following item/items:

(a) Amendments to the Memorandum or Articles or any change in the corporate nature of the Company or the trademark / brand under which the Company operates in its normal course.

(b) Any changes or variation in the capital structure of the Company or securities issued by the Company, including, but not limited to, the: (i) issuance of new Securities, other than pursuant to a rights issue of Securities which is undertaken at value which is equal to or more than the Fair Market Value of the Securities; and (ii) the alteration, recapitalization, reclassification or change in the rights, preferences or privileges of any class of Shares.

(c) Entry into a new business (other than the Business), or discontinuing any business currently undertaken, by the Company or its Subsidiaries.

(d) Any merger, acquisition, joint venture or consolidation recapitalization, reorganization or other business combination of, or by, the Company (or the amendment of any terms of any such existing arrangements) including formation or sale of, or further subscription / acquisition in, any wholly or partly owned Subsidiary, in excess of INR 100,000,000 (Rupees one hundred million only).

(e) Any divestment / dilution of a shareholding, or interest, in any Subsidiary or other entity where such divestment / dilution of shareholding or interest exceeds 50% (fifty percent) of the shareholding or interest held in the Subsidiary.

(f) Unless otherwise provided in these Articles, all decisions relating to the QIPO or any other public offering, as the case may be, of the Company, including, but not limited to, timing, size, pricing and appointment of merchant bankers and de-listing of the Company and the Subsidiaries.

(g) Any changes in the composition of the Board, the board of directors of a Subsidiary and / or the various committees of the Board or the board of directors of a Subsidiary, appointment of any committee / sub-committee of the Board or the board of directors of a Subsidiary, the assignment of any power or authority of the Board or the board of directors of a Subsidiary to any person, committee or sub – committee, in each case, other than in accordance with the terms of these Articles or any agreement or other understanding (in writing) between the Company and the Investor.

(h) Winding up or liquidation of the Company or any of the Subsidiaries.

(i) Any: (i) change in the Company's milk procurement strategy pursuant to which the milk sourced directly from farmers and / or the number of farmers from whom milk is sourced by the Company reduces by 20% (twenty percent) or more (in each case, as benchmarked against the Offtake KPIs for the relevant Financial Year) other than changes to milk procurement levels and / or farmer engagement which are directly related to, or caused by, one or more Adjustment Factors; and/or (ii) decision by the Company to pay farmers a price for raw milk offtake which is 5% (five percent) (or more) below the price that would satisfy the FMV Condition, unless otherwise approved in the Business Plan or where the change in price is directly related to an Approved Pricing Exception.

(j) Any act or commitment to do any of the foregoing, including in relation to any Subsidiaries.

"**Deadlock Event**" shall have the meaning ascribed to it in Article 9.7.1.

"**Deed of Adherence**" shall have the meaning ascribed to it in Article 4.1.1.

"**Directors**" mean the members of the Board of Directors.

"**Encumbrance**" means any:

(i) encumbrance, including without limitation, any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by a third Person,

(ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law,

(iii) right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any Person, or

(iv) any adverse claim as to title, possession or use.

"**Equity Shares**" means the equity shares of the Company, having a face value of INR 10 (Rupees ten only) each;

"**Equity Share Capital**" or "**Share Capital**" means the total issued and fully paid-up equity share capital of the Company on a Fully Diluted Basis.

"**ESOP Plan**" means the employee stock option plan of the Company with an option pool of up to 65,496 (sixty five thousand four hundred and ninety six) Equity Shares representing approximately 1.99% (one point ninety nine percent) of the Equity Share Capital, as at the Closing Date. It is clarified that as on the Execution Date, no employees have been identified as beneficiaries to the ESOP Plan.

"**Execution Date**" means 2nd May 2017.

"**Fair Market Value**" of the securities of any Person means, as on any date of determination, the fair value of any equity securities (including, in case of the Company, the Securities) determined in the manner specifically provided under these Articles and /or the SHA (including Clause 15.2 of the SHA for the purpose of a buy back under Article 17 (*Company Buyback*) and Clause 24.3 of the SHA and Article 24.3 for the purpose of any of the consequences of a Material Event of Default under Article 24 (Consequences of a Material Event of Default)); and if not specifically provided under these Articles and / or the SHA, the fair value of any equity securities (including, in case of the Company, the Securities) determined by an Approved Valuer.

"**FDI Policy**" means the Consolidated FDI Policy, issued by the Government of India and effective from 7th June 2016, as amended from time to time.

"**FEMA Regulations**" the Foreign Exchange Management Act, 1999, and the rules, regulations, circulars, press notes and other delegated legislation framed thereunder and includes without limitation the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004; in each case, as amended from time to time.

"**FIPB**" means the Foreign Investment Promotion Board.

"**Financial Year**" means a period of 12 (twelve) months commencing from 1st April of any calendar year and ending on 31st March of the next calendar year, unless otherwise agreed in writing by the Company, the Promoters and the Investor.

"**FMCG Sector**" shall have the meaning ascribed to it in Article 19.1.

"**FMV Condition**" shall have the meaning ascribed to the term in Article 23.9.3.

"**FSSAI Act**" means the Food Safety and Standards Act, 2006 and the rules and regulations framed thereunder;

"**Fully Diluted Basis**" means that the relevant calculation should be made assuming that all convertible preference shares, outstanding options (including options granted under the ESOP Plan), warrants and other securities convertible into or exercisable or exchangeable for Equity Shares (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged, and such that the number concerned is expressed as a number of Equity Shares.

"**Global Vetmed**" means Global Vetmed Concepts India Private Limited, a company incorporated under the Act, bearing company identity number U15400TG2009PTC063052 and having its registered office at Suit No. 507, Topaz Building, Amrutha Hills, Punjagutta, Hyderabad – 500034.

"**Government Approvals**" means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice, of, with or to any Governmental Authority.

"**Governmental Authority**" means any governmental or statutory authority, governmental department, agency, commission, board, tribunal or court or other entity authorised to make laws, rules or regulations or pass directions having jurisdiction, or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction in respect of the subject matter pursuant to Applicable Laws and includes the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, the Ministry of Company Affairs, SEBI, the RBI and the FIPB.

"**Government Official"** means any (i) employee or official of (a) a Governmental Authority, (b) an instrumentality of a Governmental Authority, including any stateowned enterprise, government agency or government advisor, or (c) a public international organization, or (ii) political party or party official.

"**Immediate Relative**" means the husband, wife, father, mother, son, daughter, brother, sister, spouse of each of son and daughter, spouse and children of each of brother and sister, grandparents, grand children and spouses of grand children of each of the Promoters who are individuals.

"**Indebtedness**" means with respect to the Company or any Subsidiary: (a) all liabilities for borrowed money, whether current or funded, secured or unsecured, all obligations evidenced by bonds, debentures, notes or similar instruments, and all liabilities in respect of mandatorily redeemable or purchasable capital stock or securities convertible into capital stock; (b) all liabilities for the deferred purchase price of property; (c) all liabilities in respect of any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which liabilities are required to be classified and accounted for under GAAP as capital leases; and/or (d) all liabilities for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction securing obligations of a type described in (a), (b) or (c) above to the extent of the obligation secured, and all liabilities as obligor, guarantor, or otherwise, to the extent of the obligation secured.

"**Independent Director**" shall have the meaning ascribed to it in Article 9.2.3 (c).

"**Indian GAAP**" means the generally accepted accounting standards and principles in India.

"**INR**" or "**Rs.**" means "**Indian Rupees**", the lawful currency of the Republic of India.

"**Investment Amount**" shall, as of any given relevant date with respect to the Investor, mean such amount that has been invested by the Investor to subscribe to, or purchase, the Securities held by it on such relevant date.

"**Investor**" refers to TPG Dodla Dairy Holdings Pte. Ltd., a company incorporated under the laws of Singapore, and having its registered office at 80 Raffles Place, Number 15-01 UOB Plaza, Singapore 048624, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns.

"**Investor Director**" shall have the meaning ascribed to it in Article 9.2.3 (b).

"**Investor Nominee**" shall have the meaning ascribed to it in Article 23.2.

"**Investor Observers**" shall have the meaning ascribed to it in Article 9.2.17.

"**Investor Related Party**" means (a) any Person Controlled by, under common Control with, or that Controls the Investor (together with the Investor, "**Investor Group**"); or (b) any fund, investment vehicle or other entity formed or incorporated in any jurisdiction which is managed by an entity in the Investor Group or in which any entity in the Investor Group has a majority economic interest (together, "**Investor Funds**").

"**Issuance Agreement**" means the agreement entered into between the Company, the Promoters and the Investor, dated 3 July 2017, inter alia, with respect to the right to subscribe provided for under Article 4.3 hereof.

"**Key Employees**" shall mean the Managing Director and the Chief Executive Officer of the Company.

Intentionally omitted

"**Liquidation Event**" means:

(a) the winding up or dissolution of the Company, either through a members' or creditors' voluntary winding-up process or a court directed winding-up process, appointment of a provisional/official liquidator for the Company, as the case may be, pursuant to a winding up petition; or

(b) a transaction (including an acquisition, merger, consolidation, sale, slump sale, lease, license or other transfer of any business unit or division, or any form of corporate reorganization or restructuring) of the Company resulting in the Shareholders of the Company immediately prior to such transaction retaining less than 50% (fifty percent) of the Share Capital or the voting share capital of the surviving entity immediately following such transaction after giving effect to any conversion, exercise or exchange of any Equity Shares of the Company; or

(c) any transaction (or a series of transactions) which would result in a change in Control of the Company immediately following such transaction (or series of transactions).

"**Losses**" means any and all damages, losses, claims, costs and liabilities whatsoever, including interests and penalties with respect thereto, out-of-pocket expenses, reasonable attorneys' and accountants' fees and disbursements. It is hereby clarified that a Loss incurred or suffered by the Company which leads to a diminution in value of Securities held by the Investor shall be deemed to be a direct Loss for the Investor. Losses shall however not include indirect, remote, special or consequential losses arising in any manner or form.

"**Material Adverse Effect**" shall mean any:

(a) event, occurrence, fact, condition, change, development or effect that individually or together with any other event, occurrence, fact, condition, change, development or effect affects the validity or enforceability of the SHA or which has or may have a materially adverse effect on the Business, operations, prospects, financial condition, Assets or liabilities of the Company or Subsidiaries; or

(b) material impairment of the ability of the Company and / or the Promoters and / or the Subsidiaries, as the case may be, to perform their respective obligations under the SHA.

"**Material Asset**" shall mean any capital Asset or fixed Asset which individually has a market value of INR 50,000,000 (Rupees fifty million) or has an aggregate value of INR 150,000,000 (Rupees hundred and fifty million).

"**Material Contract**" means any contract, agreement, lease, sub-lease, license for property, hire or rental agreement, promissory note, evidence of indebtedness, or other contract, undertaking or commitment (whether written or verbal) to which the Company, the Promoters or any Subsidiary is a party (or to which their respective assets are bound) that (a) (i) relates to the Company's operations (excluding capital expense transactions) including but not limited to agreements with vendors, distributors, suppliers which has a value of INR 2,500,000 (Rupees two million five hundred thousand only) or above; or (ii) which relates to the Company's capital expenditure which has a value of INR 50,000,000 (Rupees fifty million only) or above. For the avoidance of doubt, a Material Contract would not include any contract where the value is not fixed or ascertainable. For example, a contract entered into between the Company and a goods carrier services company for the carriage of the Company's milk products where the value under the contract is determined on a per kilometre basis would not be a Material Contract; or (b) imposes any non-compete, non-solicitation or exclusivity obligations on the Company or affects or limits the right or ability of the Company to carry on its business.

"**Material Event of Default**" means:

(a) any act or omission triggered by the Company or Promoters resulting in a breach of any of the following:

(i) Article 4 (Issue of Further Securities);

(ii) Article 5 (Restriction on Transfer of Company Securities);

(iii) Article 9.4.2 (Decision on Affirmative Vote Items) to the extent it relates to those affirmative vote items set out in paragraphs (a), (b), (d) (only to the extent that it relates to the Company entering into a related party transactions or any contract that limits the Company's or Subsidiary's ability to compete or any Material Contract which is outside the usual and ordinary course of business), (f) (it is clarified for the avoidance of doubt that, a performance deviation from the targets set out in the Business Plan or an expenditure deviation from that set out in the Business Plan shall not be deemed to be a breach of the obligations set out in paragraph (f)), (g) (provided that with respect to incurrence of any Indebtedness, such Indebtedness exceeds the total amount approved by 10% (ten percent) or more), (h), (k), (l), (m) (other than where any Material Contract is terminated by the counterparty, or terminates automatically in accordance with the terms of such Material Contract), (n), (q), (r) (provided that the capital expenditure exceeds the amount approved in the Business Plan by 10% (ten percent) or more) (u), (v) (other than with respect to change in the corporate governance policy of the Company. It is clarified that any change in the composition of the Board / the board of directors of a Subsidiary and / or the various committees of the Board or the board of directors of a Subsidiary, or appointment and removal of Directors that is undertaken in accordance with the these Articles or other understanding (in writing) between the Company and the Investor, shall not be deemed to be a Material Event of Default hereunder), (bb) (provided that any such payment exceeds that permitted under the Business Plan by 10% (ten percent) or more), (dd) and (ee) of the definition of "**Affirmative Vote Items**" under Article 1.1 (and the corresponding paragraphs of the definition of "**Critical Affirmative Vote Items**" under Article 1.1, as applicable);

(iv) Clause 9 of the SHA;

(v) Article 14 (*QIPO*) only to the extent it relates to any of the Relevant QIPO Articles;

PROVIDED THAT, the Company and/or the Promoters shall not be considered to have committed a Material Event of Default if the QIPO is not completed for any reasons beyond the control of the Company and the Promoters despite the Company and the Promoters complying with Article 14; and

(vi) Article 19 (*Non-Compete*) (other than Article 19.3). Provided that, with respect to Articles 19.5(e) and 19.5(f), only a material breach of any obligations or covenants thereunder shall be a Material Event of Default;

(b) in the event (i) a QIPO is not undertaken for any reason other than breach of any of the Relevant QIPO Articles by the Company and/or the Promoters; and (ii) the Investor exercises its rights under Article 17 (*Company Buyback*); and (iii) the Company does not Buyback the Investor's Securities in accordance with Article 17 despite having sufficient cash to complete the Buyback; or

(c) any fraudulent act which leads to a material impairment of obligations and duties under these Articles by the Company or the Promoters;

PROVIDED THAT, in case of a breach of the provisions specified in:

I. (a) (i)- (a) (v), above;

II. (a) (vi), above, only with respect to the provisions of Article 19.1 (only in situations where the name, brand name, mark or logo "Dodla Dairy" is used by the Promoters or their Affiliates in relation to a business which is not a Similar Business), Article 19.5(d) (only with respect to any act which adversely affects or injures the goodwill of the Company, its Subsidiaries, or the word or the name "Dodla Dairy" or other derivatives thereof), and Articles 19.5(e) and 19.5(f); or

III. (b) above;

such breach shall be a 'Material Event of Default' if it remains uncured for more than 60 (sixty) days from the date of receipt by the Company and/or the Promoters (as the case may be) of written notification from the Investor declaring such breach.

"**Memorandum**" means the memorandum of association of the Company as amended from time to time.

"**ODI**" means overseas direct investment, as defined under the FEMA Regulations.

"**Offtake KPIs**" shall have the meaning ascribed to the term in Article 23.9.2.

"**Person**" means any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, Governmental Authority or any other entity that may be treated as a person under Applicable Law.

"**Portfolio Company**" means any company in which the Investor has made investments in but does not include an Investor Related Party.

"**Pre-emptive Right**" shall have the meaning ascribed to it in Article 4.1.1.

"**Pre-emptive Right Holder**" shall have the meaning ascribed to it in Article 4.1.1.

"**Promoter(s)**" shall mean Dodla Sunil Reddy, Dodla Sesha Reddy and Dodla Family Trust *hbjsdjbdbsddscccdcDodla Sunil Reddy, Dodla Sesha Reddy and Dodla Family Trust (hereinafter collectively referred to as the "**Promoters**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include their legal heirs, executors and administrators)Dodla Sunil Reddy, Dodla Sesha Reddy and Dodla Family Trust (hereinafter collectively referred to as the "**Promoters**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include their legal heirs, executors and administrators)Dodla Sunil Reddy, Dodla Sesha Reddy and Dodla Family Trust (hereinafter collectively referred to as the "**Promoters**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include their legal heirs, executors and administrators)*

"**Promoter Director**" shall have the meaning ascribed to in Article 9.2.3 (a).

"**Promoter SPA**" means the share purchase agreement entered into by and between the Promoters, the Investor and the Company on 2nd May 2017.

"**RBI**" means the Reserve Bank of India.

"**Recognised Stock Exchange**" shall have the meaning ascribed to the term in Article 14.1.

"**Related Party**" means:

(i) any Shareholder, Director, Key Employee, or any Promoter;

(ii) any Affiliate of the Company, Shareholder, Promoter or Director;

(iii) any other Person in which any Promoter(s) has / have any direct or indirect (including through any other entity) interest (provided that, the interest of such Promoter(s) represents at least 2% of the shares of such company);

(iv) any beneficiary of the Trust;

(v) any other Persons as are defined as "related party" for the Company under the Act or under the Indian Accounting Standards or GAAP.

"**Relative**" shall have the meaning ascribed to the term under Section 6 of the Act.

"**Relevant QIPO Articles**" shall mean the provisions of:

(i) Article 14.1;

(ii) Article 14.2;

(iii) Article 14.3;

(iv) Article 14.4 (only to the extent that (i) the Company and the Promoter are required to execute a mandate in favour of the Merchant Banker for implementing the QIPO; and (ii) the 'necessary steps' required to be undertaken therein by the Promoters shall be construed to mean 'only those steps required to be taken by the Company and the Promoters under Applicable Law to enable implementation of the QIPO of the Company in

accordance with Article 14 and the 'co-operation' required to be provided therein shall be construed to mean 'cooperation reasonably requested by the Investor');

(v) Article 14.6; and

(vi) Article 14.9 (only if the Promoters and the Company do not use all efforts to (including, without limitation, taking or not taking, actions reasonably required by the Investor) to carry out the actions set out in sub-article (a) and (b) thereunder).

"**RHP**" means the red herring prospectus which is required to be filed by the Company with the Registrar of Companies in connection with the QIPO in accordance with Applicable Law.

"**Sanctions Laws and Regulations**" means all laws concerning embargoes, economic sanctions, export restrictions, the ability to make or receive international payments, the ability to engage in international transactions, or the ability to take an ownership interest in assets located in a foreign country, which are administered or enforced by the United States, the United Nations Security Council, the European Union, the United Kingdom, or any other jurisdiction where the Company operates.

"**Sanctions Target**" means any Person with whom dealings are restricted or prohibited by Sanctions Laws and Regulations, including (i) any Person identified in any sanctions list maintained by (a) the United States Department of Treasury, Office of Foreign Assets Control, the United States Department of Commerce, Bureau of Industry and Security, or the United States Department of State, (b) the United Nations Security Council, (c) the European Union, or (d) HM Treasury of the United Kingdom; (ii) any Person located, organised, or resident in, or a Government Authority or government instrumentality of, a country or territory with which dealings are prohibited by Sanctions Laws and Regulations or where restrictions imposed by Sanctions Laws and Regulations are otherwise applicable to the Person, and (iii) any Person directly or indirectly 50% or more owned or controlled by, or acting for the benefit or on behalf of, a Person described in (i) or (ii).

"**Securities**" or "**Shares**" means the Equity Shares, or any securities convertible into Equity Shares, any partially or fully convertible debentures, preference shares or any warrants, options, coupons or instruments which may enable the holder thereof to acquire Equity Shares of, or any voting rights in, the Company or any Subsidiary.

"**SHA**" means the Shareholders' Agreement (read together with the Recitals, Annexure and Schedules attached thereto), as amended, supplemented, or replaced or otherwise modified from time to time, entered into by and between the Company, the Promoters and the Investor, on 2 May 2017.

"**Share Capital**" means the total issued, subscribed and paid up equity share capital of the Company, determined on a Fully Diluted Basis.

"**Shareholder**" means a registered holder of at least 1 (one) Security.

"**Shareholding Percentage**" means the percentage of the Share Capital held by a Shareholder in the Company.

"**Subsidiary**" means any subsidiaries of the Company as defined under the Act, and includes the Company Subsidiaries and every other Person that becomes a Subsidiary of the Company (and includes, without limitation, any Person that is Controlled by the Company). It is clarified that Global Vetmed is not a Subsidiary of the Company.

"**Tax**" or "**Taxes**" or "**Taxation**" means all forms of taxation (direct and indirect), duties (including stamp duties), levies, imposts in the nature of tax including without limitation corporate income tax, withholding tax, value added tax, customs and excise duties, capital tax and other legal transaction taxes, dividend withholding tax, real estate taxes, service tax, other municipal taxes and duties, environmental taxes and duties and any other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction.

"**Third Party**" means any Person who is not a Promoter, the Investor or the Company (an Affiliate thereof).

"**Transaction Documents**" shall mean the SHA, the Promoter SPA and these Articles.

Effective from the Investor Issuance Closing Date (as defined in the Issuance Agreement), the above definition of Transaction Documents shall be automatically substituted by the following paragraph, without the need for any further actions from the Board of Directors or Shareholders of the Company:

*""**Transaction Documents**" shall mean the SHA, the Promoter SPA, these Articles, the Issuance Agreement and any*

other document or agreement entered into pursuant to, or to effect, the Transaction."

"**Transfer**" means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings), with respect to any ownership interests (including, without limitation, legal and beneficial ownership interests in Securities), the direct or indirect sale, assignment, Encumbrance, transfer or other disposition (whether for or without consideration, whether directly or indirectly, whether voluntary or involuntary or by operation of law) of any such ownership interests or of any direct or indirect beneficial interest therein or the creation of any third party interest in or over such ownership interests.

"**Trust**" shall have the meaning ascribed to it in Article 5.6.2.

1.2 Interpretation.

In construing these Articles, unless the context requires otherwise:

(a) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles;

(b) time is of the essence in the performance of the Company's, and the Shareholders' respective obligations. If any time period specified herein is extended in writing by the Company, and the Shareholders, such extended time shall also be of the essence;

(c) references to one gender include all genders;

(d) words in the singular shall include the plural and vice versa;

(e) any reference to an Article, Clause or Paragraph shall be deemed to be a reference to an article, clause or paragraph of these Articles;

(f) references to (a) these Articles; (b) any document; or (c) a specific provision of these Articles or any other document are to these Articles, that document or specific provision of these Articles or other document (as the case may be) as in force for the time being and as amended from time to time in accordance with the terms of these Articles or that document, as the case may be, with the consent/approval of the Company, the Investor and the Promoters (as the case may be), to these Articles or that document, as the case may be;

(g) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of such period is not a Business Day;

(h) the words and phrases "in particular", "including", "for example" or "such as" are neither to be used as, nor are to be interpreted as, words of limitation and shall not limit the generality of any preceding words or be construed as being limited to the same class as the succeeding words where a wider construction is possible;

(i) a reference to any statute or statutory provision includes any subordinate legislation made under it and any provision which it has re-enacted (with or without modification), and any provision superseding it or re-enacting it (with or without modification) from time to time;

(j) the terms "herein", "hereof", "hereto", "hereunder" and words of similar purport refer to these Articles as a whole;

(k) in the absence of a definition being provided for a term, word or phrase used in these Articles, no meaning shall be assigned to such term, word or phrase which derogates or detracts in any way from the intent of these Articles;

(l) where any statement in these Articles is qualified by any Person's knowledge, information, belief or awareness or any similar expression, that statement shall be deemed to include the knowledge, information, belief or awareness that such Person would have had if such Person had taken reasonable steps to examine all the information available to him and made due and careful inquiries and investigations;

(m) where any obligation under these Articles ("**Subject Obligation**") requires a Government Approval in order for the Subject Obligation to be performed validly, then the Subject Obligation shall be deemed to include the

obligation to apply for, obtain, maintain and comply with the terms and conditions of, all such Government Approvals;

(n) any reference to documents in the "Agreed Form" shall mean documents that are in such form, and containing such content, that has been approved in writing by the Investor and the Promoters;

(o) where any obligation is imposed on the Company under these Articles or any of the Transaction Documents, it will be deemed that the Key Promoters have a corresponding obligation to cause the Company to comply with its obligation and that the Key Promoters will exercise all their powers (including voting powers) and take all necessary steps and do or cause to be done all acts, deeds and things, commissions or omissions as required to ensure compliance by the Company of all of the obligations of the Company under these Articles and each Transaction Document to which the Company is party;

(p) where any obligation is imposed on the Promoters under these Articles or the Transaction Documents (irrespective of whether or not such obligation on the Promoters is independent to or in conjunction with the same obligation being placed on the Company), the Promoters will have a corresponding obligation to cause themselves to exercise all their powers (including voting powers) and take all necessary steps and do or cause to be done all acts, deeds and things, commissions or omissions as required to ensure compliance with such obligation of the Promoters;

(q) save and except as otherwise expressly provided in these Articles, any obligation, covenant, or undertaking hereto that is expressed to be made, undertaken or given by the Promoters is deemed to be jointly and severally undertaken and given by each of the Promoters. Any obligation, covenant, warranty, representation or undertaking hereto that is expressed to be made, undertaken or given by the Key Promoters is deemed to be jointly and severally undertaken and given by each of the Key Promoters, both in their individual capacity, and in their capacity as the trustees of the Trust, and the Trust upon the Trust becoming a Shareholder (in each case pursuant to Article 5.6.2);

(r) the term "Promoter" or "Promoters" in these Articles shall include Affiliates of the Promoters (including the Trust) who shall hold any Securities after the Execution Date and the rights and obligations of the Promoters shall apply equally to such Affiliates;

(s) the term "Investor" in these Articles shall include Affiliates of the Investor who shall hold any Securities after the Execution Date and the rights and obligations of the Investor shall apply equally to such Affiliates (and, for calculating the Shareholding Percentage of the Investor, the shareholding of the Investor and its Affiliates shall be aggregated);

(t) in the event that the provisions of Article 25.1(b) are applicable, any reference in these Articles to Affirmative Vote Items, or to any of the Affirmative Vote Items set out at any paragraph of the definition of Affirmative Vote Items under Article 1.1 shall be deemed to be a reference to Critical Affirmative Vote Items, or the corresponding paragraphs of the definition of Critical Affirmative Vote Items at Article 1.1, as the case may be; and

(u) substantive portions of any provision of this Article 1 shall be given effect accordingly.

2 BUSINESS

2.1 The Company shall commence business or exercise any borrowing after the requirement of Section 11 of the Act, shall have been complied with.

2.2 Except as provided by Section 67 of the Act no part of funds of the Company shall be employed in the purchase of the shares of the Company whether directly or indirectly and whether by means of a loan, guarantee, provision of security, or otherwise by providing any financial assistance for or in connection with the purchase of, or subscription made, to any person for any shares in the Company.

2.3 The Company shall, and the Promoters shall ensure that, the Company and its Subsidiaries shall carry on the Business in accordance with the FDI Policy, these Articles and other Applicable Laws.

3 SHARE CAPITAL OF THE COMPANY

The share capital of the Company is as mentioned in Clause 5 of the Memorandum of Association of the Company. The paid up capital of the company shall not be less than Rs. 5,00,000/- (Rupees Five Lac) or such higher sum as may be prescribed by the Act.

4 ISSUE OF FURTHER SECURITIES

4.1 Pre-emptive Rights

4.1.1 Unless otherwise agreed to in writing by the Parties, , in the event the Company is desirous of issuing any new Securities (excluding an issuance on account of any issue of Equity Shares pursuant to the ESOP Plan or a QIPO) (the "**Proposed Issuance**"), the Company shall provide to the Shareholders (each, a "**Pre-emptive Right Holder**") in priority to any Third Party, a pre-emptive right of subscription in such Proposed Issuance, on a *pro rata* basis, based on their respective *inter-se* Shareholding Percentage in the Company prior to the Proposed Issuance such that the Pre-emptive Right Holders are able, if they fully exercise their Pre-emptive Right in accordance with this Article 4.1, to maintain their respective Shareholding Percentages as existing in the Company immediately prior to the date of the Proposed Issuance (the "**Pre-emptive Right**"). The Promoters and the Investor shall have the right to exercise their respective Pre-emptive Rights either directly or through their respective Affiliates, and any other Shareholder shall have the right to exercise its Pre-emptive Rights either directly or through any body corporate Controlled by such Shareholder ("**Controlled Entity**"), subject to execution of the Deed of Adherence in the form set out in Annexure 3 to the SHA ("**Deed of Adherence**"), by such Affiliates. In the event any such Affiliate or Controlled Entity, as the case maybe, who holds the Securities of the Company pursuant to the foregoing, ceases to be an Affiliate or Controlled Entity of such Shareholder, respectively, then such Shareholder shall immediately buy back or otherwise acquire the Securities from such Affiliate or Controlled Entity or have such Securities transferred to any other Affiliate or Controlled Entity subject to execution of the Deed of Adherence by such Affiliate or Controlled Entity.

4.1.2 The Pre-emptive Right shall be offered by the Company by issuing a written notice to each Pre-emptive Right Holder (the "**Issuance Notice**") setting forth in detail the terms of the Proposed Issuance, including the price for the Proposed Issuance (the "**Issuance Price**"), the proposed date of closing of the Proposed Issuance (which shall not be less than 90 (ninety) Business Days from the date of the Issuance Notice) and the number of Securities proposed to be issued (the "**Issuance Shares**") and the proportionate number of Issuance Shares to which each Pre-emptive Right Holder is entitled to subscribe (based on such Pre-emptive Right Holder's then-existing Shareholding Percentage).

4.1.3 If a Pre-emptive Right Holder wishes to exercise its Pre-emptive Right, then such Preemptive Right Holder shall inform the Company within a period of 30 (thirty) Business Days from the date of receipt of the Issuance Notice that it wishes to exercise the Preemptive Right and the number of Securities it proposes to subscribe to in such Proposed Issuance (an "**Exercising PE Right Holder**"). To the extent that a Pre-emptive Right Holder (or its Affiliate or Controlled Entity, as the case maybe) does not wish to exercise or fully exercise its right to subscribe for its full entitlement, the Company shall notify the other Exercising PE Right Holders (the "**Additional Entitlement Notice**") accordingly and such Exercising PE Right Holders shall have the right, but not the obligation, to subscribe to any such unsubscribed portion of the Issuance Shares also on a pro rata basis (as between the Exercising PE Right Holders) and, for this purpose, the Exercising PE Right Holders shall provide notice of their intention to subscribe to such unsubscribed portion of the Issuance Shares within 30 (thirty) Business Days of the receipt of the Additional Entitlement Notice. Thereafter, within 60 (sixty) Business Days from the date of receipt of the Issuance Notice, the Exercising PE Right Holders shall pay for, and subscribe to, such number of the Issuance Shares as they have notified the Company they wish to subscribe to (subject to a maximum of such Exercising PE Right Holder's total pro rata entitlement in such Proposed Issuance) at the Issuance Price and on the terms and conditions set out in the Issuance Notice. The aforementioned 60 (sixty) Business Days' period shall be extended by such further period as may be mutually agreed between the Company and the Exercising PE Right Holders, if any Government Approvals are required for such purchase and payment by the Exercising PE Right Holders (the "**Extended Period**"). Subject to the receipt of the payment against exercise of the relevant Pre-emptive Right by each Exercising PE Right Holder, the Company shall issue and allot the Issuance Shares to each Exercising PE Right Holder on the date of closing of the Proposed Issuance as stated in the Issuance Notice. To the extent that any Pre-emptive Right Holder (or its Affiliate or Controlled Entity, as the case maybe, to whom it has renounced its portion of the Proposed Issuance) does not fully exercise its right to subscribe for its full entitlement or in the event any Exercising PE Right Holder (or its Affiliate or Controlled Entity, as the case maybe, to whom it has renounced its portion of the Proposed Issuance) fails to pay the Issuance Price after exercising their Pre-emptive Right, the other Exercising PE Right Holders (or their Affiliates or Controlled Entities, as the case maybe) shall have the right to subscribe to any such unsubscribed Issuance Shares on a *pro rata* basis based on their respective Shareholding Percentages (as between themselves) within 30 (thirty) Business Days from the expiry of such 60 (sixty) Business Day period or of the Extended Period, as the case may be.

4.1.4 The price at which the Proposed Issuance shall be made by the Company will be determined by a majority of the Board subject to the Investor's affirmative vote rights as contained in the Affirmative Vote Items under Article 9.4.2.

4.2 More Favourable Rights and Anti-Dilution Protection

4.2.1 Notwithstanding anything to the contrary contained herein or without the prior written consent of the Investor, the Company and the Promoters will not provide to any Person (including any of the Shareholders or their Affiliates), directly or indirectly, any rights, interests, entitlements or protections more favourable than those provided to the Investor under

these Articles. Provided that, nothing in this Article shall prevent any Person from exercising any rights, interests, entitlements or protections more favourable than those provided to the Investor under these Articles if consented to by the Investor, in writing.

4.2.2 In the event, any rights, interests, entitlements or protections given to any other Person are more favourable than those available to the Investor under these Articles, then the Investor will have the right to request an amendment to these Articles to ensure that the Investor is granted such additional rights, interests, entitlements or protections under these Articles with retroactive effect (subject to Applicable Law). The Shareholders will, and will cause the Company to, take all steps as may be necessary to amend these Articles to give effect to the modified rights of the Investor, including passing any necessary written resolutions of the Shareholders or the Board.

4.3 **Right to Subscribe**

4.3.1 At any time on or prior to 31st March 2018, the Investor shall have the right (but not an obligation) to subscribe to such number of Equity Shares as detailed in Clause 4.3 of the SHA and in the Issuance Agreement, at such price as set out in Clause 4.3 of the SHA and the Issuance Agreement, and if such right is exercised, the Company shall (and the Promoters shall cause the Company to) issue and allot to the Investor such Equity Shares. It is acknowledged that the Company, the Promoters and the Investor have entered into the Issuance Agreement, and that any issuance pursuant to this Article 4.3.1 shall be governed by the terms hereof, the SHA, and the Issuance Agreement.

4.3.2 On or before the date on which the Board of the Company passes a board resolution to commence the process pertaining to any public offering of the Company's Equity Shares, and provided that the Investors have exercised the right under Article 4.3.1 above, the Promoters shall have the right to require the Company to issue to the Promoters, and the Company shall issue to the Promoters, up to such number of Equity Shares as is equivalent to the number of Equity Shares issued to the Investor under Article 4.3.1 above, at such price as set out in Clause 4.3 of the SHA and the Issuance Agreement. It is clarified that no representations or warranties would be provided by the Company or the Investor to the Promoters in connection with the aforesaid issuance to the Promoters. It is acknowledged that any issuance pursuant to this Article 4.3.2 shall be governed by the terms hereof, the SHA, and the Issuance Agreement.

4.3.3 The provisions of Articles 4.1, 4.2 and 9.4.2 (and corresponding provisions of the SHA) shall not apply with respect to any issuance of Shares pursuant to and in accordance with Clauses 3 and 4 of the Issuance Agreement. For the avoidance of doubt, it is clarified that any issuance of the Shares pursuant to and in accordance with, Clauses 3 and 4 of the Issuance Agreement, shall not be deemed to be a Material Event of Default hereunder.

5 **RESTRICTIONS ON TRANSFER OF COMPANY SECURITIES**

5.1 No Shareholder of the Company shall, directly or indirectly, Transfer any Securities or any legal or beneficial interest therein, except in compliance with these Articles, unless otherwise agreed in writing by the Investor and the Promoters.

5.2 Notwithstanding anything contained in these Articles, no Shareholder shall Transfer any Securities to any Competitor except with the prior written consent of the other Shareholders, provided that the Investor may Transfer its Securities to a Competitor: (a) if the Investor has not been provided with an exit under any of Articles 14 to 17 which has resulted in a transfer of all of the Investor's Securities, despite having requested for the same; or (b) upon the occurrence of a Material Event of Default.

5.3 Any agreement or arrangement to Transfer any Securities other than in the manner set out in these Articles shall be null and void. The Company shall not record any such Transfer or agreement or arrangement to Transfer on its books and shall not recognise or register any equitable or other claim to, or any interest in, such Securities which have been Transferred in any manner other than as permitted under these Articles (unless agreed to in writing by the Promoters and the Investor) and all such Transfers shall be deemed to be a breach of these Articles.

5.4 **Transfer by the Investor**

5.4.1 The Investor shall be permitted to freely Transfer any, or all, of its Securities to its Affiliates, other than Portfolio Companies ("**Permitted Affiliates**"), without any restriction whatsoever subject to:

(a) The Investor giving the Company and the Promoters prior notice of at least 5 (five) days, such notice specifying the identity of the Permitted Affiliate (and providing evidence, satisfactory to the Company, of the Investor's affiliation with such Permitted Affiliate);

(b) execution of the Deed of Adherence by such transferee; and

(c) in the event any Permitted Affiliate who holds the Securities of the Company ceases to be an Affiliate of the Investor, then the Investor shall immediately buy back or otherwise acquire the Securities from such Permitted Affiliate or have such Securities transferred to any other Permitted Affiliate subject to the conditions of this Article 5.4.1 (including the execution of the Deed of Adherence by such Affiliate).It is clarified, for the avoidance of doubt, that Article 5.5 shall not be applicable to any Transfers by the Investor pursuant to this Article 5.4.1

5.4.2 The Investor shall have the right to Transfer any, or all, of its Securities to any Third Party or an Affiliate which is a Portfolio Company (the "**Proposed Transferee**"), subject to Article 5.5 and the execution of the Deed of Adherence by the Proposed Transferee. Notwithstanding anything contained in these Articles, the Investor shall be permitted to freely Transfer any, or all, of its Securities to any Person (including a Portfolio Company and/or a Competitor) upon the occurrence of a Material Event of Default.

5.4.3 Without prejudice to Articles 5.4.1 and 5.4.2, the Investor shall be entitled to Transfer all, or any, of the Securities held by it along with such rights vested with the Investor to the Proposed Transferee, as the Investor may deem fit.

5.4.4 For the avoidance of doubt, it is clarified that (i) upon a Transfer of Securities to the Proposed Transferee, the Investor (along with its Affiliates) and the Proposed Transferee may exercise their rights independently and separately, provided that there shall not be any duplication of rights between the Investor (along with its Affiliates) and the Proposed Transferee (it being clarified that any *inter-se* arrangement between the Investor (along with its Affiliates) and the Proposed Transferee shall not be prohibited); and (ii) the cumulative rights of the Investor (along with its Affiliates) and the Proposed Transferee cannot exceed the rights originally exercisable by the Investor (along with its Affiliates) under these Articles; *i.e.*, the Proposed Transferee and the Investor (along with its Affiliates) cannot (a) collectively appoint more than 2 (two) Directors; or (b) each exercise an affirmative voting right in relation to the Affirmative Vote Items.

5.4.5 The Company and the Promoters shall be required to provide necessary co-operation and assistance (including providing representations, warranties and indemnities as required, giving access to personnel and documents that may be required by the Investor and the Proposed Transferee for carrying out any due diligence on the Company and its Business) as reasonably requested by the Investor to facilitate the Transfer of such Securities to the Proposed Transferee.

5.4.6 The Investor shall be entitled to create an Encumbrance on any of its Securities (whether now owned or hereafter acquired by them and whether in one or more tranches) to, or in favour of, any bank or financial institution for the purposes of a genuine financing transaction, provided that it intimates each of the Company and Key Promoters of the creation of such Encumbrance at least 10 (ten) Business Days prior to the creation of such Encumbrance and provides details relating to the percentage of Securities being pledged and the bank / financial institution in favour of which the Securities are being pledged. For the avoidance of doubt, it is clarified that in the event of the enforcement of the security created by any such Encumbrance which would result in the Transfer of such Encumbered Securities, (i) the provisions of Article 5.2 shall be applicable, and (ii) the Investor shall engage in good faith discussions with the bank / financial institution in whose favour the Securities have been pledged to provide the Promoters with a Right of First Offer (in accordance with the terms of Article 5.5) prior to such enforcement of the security by the relevant bank / financial institution.

5.4.7 In the event that any shares of the Investor are pledged in favour of any bank or financial institution, the Investor shall intimate each of the Company and Key Promoters of the same within 5 (five) Business Days of creation of such pledge. For the avoidance of doubt it is clarified that, with respect to such intimation, the Company and the Key Promoters shall be bound by the confidentiality obligations under Clause 19 of the SHA.

5.5 **Right of First Offer**

5.5.1 Subject to Articles 5.4.1, Article 5.4.2 (as it relates to a Transfer by the Investor upon the occurrence of a Material Event of Default) and the Exit Articles, if the Investor (the "**Selling Investor**") proposes to Transfer all, or a portion of, the Securities held by it in the Company to any Proposed Transferee, then the Promoters shall have a right of first offer (the "**Right of First Offer**") to purchase such Securities as provided in this Article 5.5, unless otherwise agreed to in writing between the Promoters and the Investor.

5.5.2 For this purpose, the Selling Investor shall issue a written notice to the Promoters indicating its intention to Transfer all, or any portion of, the Securities (the "**ROFO Initiation Notice**") held by it, which notice shall state the number of Securities proposed to be Transferred (the "**ROFO Offered Securities**").

5.5.3 In the event that any of the Promoters intend to offer to purchase the ROFO Offered Securities ("**Offering Promoters**"), such Promoters shall jointly give an unconditional, irrevocable and binding offer to the Selling Investor (the "**ROFO Offer**") to purchase all (but not a portion) of the ROFO Offered Securities for cash consideration only, at an offer price per Security (the "**Offer Securities Price**") set out in a written notice (the "**ROFO Offer Notice**") delivered to the Selling Investor within 30 (thirty) Business Days of the receipt of such ROFO Initiation Notice (the "**Notification Period**"). If

more than one Promoter proposes to acquire the ROFO Offered Securities, the ROFO Offer Notice shall provide details of the proportion in which such ROFO Offered Securities will be acquired. Further, and together with the delivery of the ROFO Offer Notice, the Offering Promoters shall also provide evidence (as may be reasonably requested by the Investor, including, without limitation, bank account statements or debt commitment letters, if the Offering Promoters intend to debt finance the acquisition of the ROFO Offered Securities) that the Offering Promoters can fund, and shall represent that they have sufficient cash funds to pay, the Offer Securities Price for 100% (hundred percent) of the ROFO Offered Securities. If the Offering Promoter fails to issue a ROFO Offer within the Notification Period or elects not to offer to acquire the ROFO Offered Securities, then the Selling Investor shall have the right (but not the obligation) to Transfer the ROFO Offered Securities to any Proposed Transferee at any price within 180 (one hundred and eighty) Business Days from the expiry of the Notification Period.

5.5.4 If the Selling Investor wishes to accept the ROFO Offer, the Selling Investor shall notify the Offering Promoters of its acceptance of the ROFO Offer by way of written notice (the "**ROFO Acceptance Notice**") to the Offering Promoters within 30 (thirty) Business Days of receiving the ROFO Offer Notice (the "**ROFO Acceptance Period**"). Completion of the sale and purchase of the ROFO Offered Securities (the "**ROFO Closing**") shall take place within 30 (thirty) Business Days from the date of the ROFO Acceptance Notice (the "**ROFO Closing Long Stop Date**"). If the ROFO Closing does not take place by the ROFO Closing Long Stop Date, then the Transfer of the ROFO Offered Securities shall be deemed to be cancelled and terminated, provided that the Selling Investor and the Offering Promoters may agree in writing to extend the ROFO Closing to a date later than the ROFO Closing Long Stop Date.

5.5.5 The receipt of consideration from the Offering Promoters for the sale of the ROFO Offered Securities, pursuant to this Article 5.5, shall be deemed a representation and warranty that the Selling Investor has (a) full right, title and interest in and to such ROFO Offered Securities free and clear of all Encumbrances, other than as provided in the SHA and/or these Articles; and (b) all necessary power and authority and has taken all necessary actions to authorise the sale of the ROFO Offered Securities to the Offering Promoters in the manner contemplated in this Article 5.5. The Selling Investor shall not be required to provide any other representations, warranties or indemnities for the sale of the ROFO Offered Securities to the Offering Promoter pursuant to this Article 5.5.

5.5.6 If: (a) the Selling Investor does not accept the ROFO Offer for any reason whatsoever; or (b) the sale and purchase of the ROFO Offered Securities is not completed within the ROFO Closing Long Stop Date, then the Selling Investor shall have the right (but not the obligation) to Transfer the ROFO Offered Securities to any Proposed Transferee at a price per Security (which may be a combination of cash and non-cash components) which shall not be less than the Offer Securities Price ("**ROFO Transfer Price**") within 180 (one hundred and eighty) Business Days from the expiry of the ROFO Acceptance Period or the ROFO Closing Long Stop Date (as the case may be) ("**ROFO Revival Date**"). It is hereby clarified that the ROFO Transfer Price may be a combination of cash and non- cash consideration, provided that in the event the non-cash consideration consists of components of which the market value is not readily ascertainable at the time of such Transfer, the Investor shall appoint an Approved Valuer to ascertain the value of such components, and provide a copy of the report of such Approved Valuer in relation to the same to the Promoters.

5.5.7 The Company, the Promoters and the Investor shall be required to provide necessary cooperation as reasonably requested to facilitate the Transfer of the ROFO Offered Securities to the Offering Promoters.

5.5.8 If the Selling Investor has not completed the sale of the ROFO Offered Securities to any Proposed Transferee in accordance with Article 5.5 prior to the ROFO Revival Date for any reason whatsoever, the ROFO Intimation Notice shall be null and void, and the provisions of this Article 5.5 shall be once again complied with, prior to consummating a sale of the Securities held by the Investor.

5.5.9 Notwithstanding anything contained above, in the event the Offering Promoters provide notice to the Selling Investor, during the Notification Period, stating that they are able to acquire only a portion of the ROFO Offered Securities ("**ROFO Acceptance Securities**"), the Company, the Promoters and the Investor will enter into discussions (on a best effort basis) to determine whether the ROFO Acceptance Securities can be acquired by the Offering Promoters and the remaining portion of the ROFO Offered Securities can be bought back by the Company in accordance with Applicable law, provided that any acquisition of the ROFO Offered Securities by the Company in accordance with the foregoing shall require the prior written consent of the Investor.

5.6 **Transfer by the Promoters**

5.6.1 Subject to Article 5.6.2 below, none of the Promoters shall Transfer or create any Encumbrances on any of their Securities (whether now owned or hereafter acquired by them in one or more tranches) to, or in favour of, any Person unless otherwise agreed to in writing by the Investor.

5.6.2 The Promoters may (a) freely Transfer all (or a portion) of the Securities to a trust settled by them, and set up under the Trust Act or other Applicable Law relating to private trusts in India, for the benefit of their Immediate Relatives, provided

that (i) Promoter 1 and Promoter 2 or any entity controlled by Promoter 1 and / or Promoter 2 shall be sole trustees of such trust and the only beneficiaries to such trust shall be the Immediate Relatives of Promoter 1 (the "**Trust**"); and (ii) the trustees of the Trust shall execute a Deed of Adherence; and (b) freely Transfer the Securities held by them *inter se* amongst themselves or to an Affiliate, provided that:

(a) the Promoter gives to the Company and the other Shareholders (including the Investor) prior notice of at least 5 (five) days, such notice specifying the identity of the Affiliate (and providing evidence, satisfactory to the Investor, of the Promoter's affiliation with such Affiliate);

(b) such Affiliate agrees to be bound by the terms and conditions of the SHA by executing a Deed of Adherence;

(c) in the event any Affiliate of a Promoter who holds the Securities of the Company ceases to be an Affiliate of the Promoter, then such Promoter shall immediately buy back or otherwise acquire the Securities from such Affiliate or have the same transferred to any other Affiliate subject to the conditions of this Article 5.6 (including the execution of the Deed of Adherence by such Affiliate); and

(d) notwithstanding the Transfer of Securities by the Promoters to an Affiliate under this Article 5.6, the Promoters shall remain a party to the SHA and shall be jointly and severally liable for the performance by the Affiliate (including the Trust) of its obligations under the SHA and these Articles, and the SHA and these Articles shall be interpreted accordingly.

In the event of Transfer of Securities by the Promoters to a Trust, Promoter 1 and Promoter 2 shall continue to act as the Key Promoters for the purposes of the SHA and these Articles and the trustees along with the beneficiaries of the trust, shall be deemed to be "Promoters" for all purposes under the SHA and these Articles. During the term of the SHA: (i) Promoter 1 shall continue to hold Securities aggregating to not less than 1% (one percent) of the Share Capital of the Company, and (ii) any change in the beneficiaries of the Trust, other than a change within the Immediate Relatives of Promoter 1, shall be undertaken with the prior consent of the Investor, and any change which is not in accordance with the aforesaid shall be treated as a Transfer of Shares in breach of the SHA and these Articles. In relation to any obligation or right of the Promoters, such obligations and rights (a) shall continue to be exercised by such Promoter to the extent that its Securities are held directly (*i.e.*, outside the Trust); (b) shall be exercised by the trustees of the Trust for those Securities which form part of the Trust.

5.7 **Right of First Refusal**

5.7.1 Subject to the provisions of Article 5.6, if one or more Promoters (each a "**Selling Party**") proposes to Transfer all, or a portion, of the Securities held by it in the Company (the "**ROFR Offer Securities**") to any Third Party (the "**Proposed Third Party Transferee**"), then each Selling Party shall, prior to executing any binding definitive agreement with the Proposed Third Party Transferee, first give a written notice (the "**ROFR Offer Notice**") to the Investor, and provide the Investor with an unconditional, irrevocable and binding offer to sell the ROFR Offer Securities on the terms and conditions agreed between such Selling Party and the Proposed Third Party Transferee as detailed in the ROFR Offer Notice (the "**Right of First Refusal**").

5.7.2 <u>ROFR Offer Notice</u>

The ROFR Offer Notice shall, *inter alia*:

(a) state the number of ROFR Offer Securities proposed to be sold by each Selling Party;

(b) contain a representation that the ROFR Offer Securities are free and clear of any Encumbrances;

(c) set out the name and details of the Proposed Third Party Transferee;

(d) state the terms and conditions of such sale, including the aggregate price payable for the ROFR Offer Securities (the "**ROFR Offer Price**") at which the ROFR Offer Securities are proposed to be Transferred which shall only be payable in cash;

(e) state the proposed date of consummation of the proposed Transfer;

(f) contain representations that the Proposed Third Party Transferee has been informed in writing of: (i) the fact that the Investor is a Shareholder; and (ii) the Right of First Refusal and the Tag Along Right of the Investor;

(g) contain a representation that the Proposed Third Party Transferee has agreed to purchase all the ROFR Offer Securities and the Tag Along Securities required to be purchased in accordance with the terms of these Articles and the SHA (including executing a Deed of Adherence); and

(h) contain a representation that no consideration (including a refund or a discount), tangible or intangible, is being provided, directly or indirectly, to any Selling Party and/or to any of its Affiliates, over and above the ROFR Offer Price on the transfer of the ROFR Offer Securities.

5.7.3 The ROFR Offer Notice shall be accompanied by documentary evidence (which may include emails exchanged between a Selling Party and the Proposed Third Party Transferee) setting out the terms offered by the Proposed Third Party Transferee, including the terms and price specified in Article 5.7.2(d) above.

5.7.4 For a period of 30 (thirty) Business Days after receipt of a ROFR Offer Notice (the "**ROFR Offer Period**"), the Investor shall be entitled (but not obliged) to exercise its Right of First Refusal over all (but not a portion) of the ROFR Offer Securities, exercisable through the delivery of an irrevocable and binding acceptance notice (the "**ROFR Acceptance Notice**") to each Selling Party, to agree to purchase the ROFR Offer Securities at a purchase price equal to the ROFR Offer Price.

5.7.5 The ROFR Acceptance Notice shall be irrevocable and binding on the Investor and the Selling Party.

5.7.6 In the event the Investor exercises its Right of First Refusal, then the Investor and each Selling Party shall proceed to closing the sale of the ROFR Offer Securities in terms of Articles 5.7.8 and 5.7.9 below.

5.7.7 If the Investor delivers the ROFR Acceptance Notice, the purchase of the ROFR Offer Securities shall be subject to Applicable Law and receipt of relevant Approvals (if required).

5.7.8 Unless otherwise agreed in writing between the Investor and a Selling Party, the purchase of the ROFR Offer Securities shall be completed by the Investor within 30 (thirty) Business Days from the date of the ROFR Acceptance Notice. If there is more than one Selling Party, each Transfer shall be completed simultaneously, unless otherwise agreed by the Investor.

5.7.9 At completion of the Transfer of the ROFR Offer Securities: (a) each Selling Party shall deliver to the Investor good and valid title to the ROFR Offer Securities, free and clear of Encumbrances, held by it together with duly executed transfer instructions to the relevant depositary participant; and (b) the Investor shall pay to each Selling Party the ROFR Offer Price applicable to such Selling Party's ROFR Offer Securities.

5.7.10 The receipt of consideration from the Investor for the sale of the ROFR Offer Securities, pursuant to this Article 5.7, shall be deemed a representation and warranty that the Selling Party has (a) full right, title and interest in and to such ROFR Offer Securities free and clear of all Encumbrances, other than as provided in the SHA and / or these Articles; and (b) all necessary power and authority and has taken all necessary actions to authorise the sale of the ROFR Offer Securities to the Investor in the manner contemplated in this Article 5.7.

5.7.11 In the event that the Investor declines to purchase the ROFR Offer Securities or does not exercise its right to purchase the ROFR Offer Securities within the ROFR Offer Period, then each Selling Party shall be free to sell all, but not less than all, of the ROFR Offer Securities to the Proposed Third Party Transferee at a price not less than the ROFR Offer Price and in terms of the ROFR Offer Notice, subject, however, to the Investor's Tag Along Right set out in Article 5.8 below. The sale to the Proposed Third Party Transferee under this Article 5.7 must be completed within 21 (twenty-one) Business Days from the expiry of the ROFR Offer Period. The Company, the Promoters and the Investor shall be required to provide necessary cooperation as reasonably requested to facilitate the Transfer of the ROFR Offer Securities to the Proposed Third Party Transferee. If a Selling Party and the Proposed Third Party Transferee fail to consummate the sale of the ROFR Offer Securities within the time period stipulated under this Article, then the Investor's Right of First Refusal and Tag Along Right shall re-apply in case of any sale of the Securities by such Selling Party to Third Parties, and the Selling Party shall not be entitled to Transfer the ROFR Offer Securities thereafter to any other Person, unless such ROFR Offer Securities are first re-offered to the Investor in accordance with the provisions of this Article 5.7.

5.8 **Tag Along Right**

If any Selling Party proposes to sell all, or any, of the Securities (the "**Promoter Sale Shares**") held by it in the Company to a Proposed Third Party Transferee and the Investor does not exercise its Right of First Refusal as provided in Article 5.7 above, then the Investor will have a Tag Along Right in the manner as set out in this Article 5.8.

5.8.1 Investor Pro Rata Tag Along Right: Subject to Articles 5.6, 5.7 and 5.8.2, in the event that a Selling Party proposes to Transfer the Promoter Sale Shares, then the Investor shall have a *pro rata* Tag Along Right (the "**Pro Rata Tag Along**

Right"), but not an obligation, to Transfer up to a *pro rata* number of its Securities, on terms no less favourable than the terms offered by the Selling Party to the Proposed Third Party Transferee in terms of, and in the manner set out in, this Article 5.8. For example, if a Selling Party proposes to Transfer 20% (twenty percent) of the Equity Share Capital of the Company, the Investor shall have the right, but not the obligation, to Transfer up to 20% (twenty percent) of the Equity Share Capital of the Company.

5.8.2 Full Tag Along Right: Notwithstanding Article 5.8.1, if, at any point, any proposed Transfer by one or more Selling Parties (whether in a single transaction or a series of transactions together with all previous Transfers made by the Promoters) is likely to result in the Promoters jointly or severally transferring 25% (twenty five percent) or more of the Equity Share Capital of the Company, then the Investor shall have the right (but not the obligation) to Transfer up to all of the Securities held by it to the Proposed Third Party Transferee prior to any Transfer of any Securities by any Selling Party on terms no less favourable than the terms offered to such Selling Party in the manner as set out in this Article 5.8 (the "**Full Tag Along Right**").

The Full Tag Along Right and the Pro Rata Tag Along Rights are collectively hereinafter referred to as the "**Tag Along Right**", and the Tag Along Right shall be exercised in the manner set out in this Article 5.8. The number of Investor-held Securities with respect to which the Investor would be entitled to exercise its Tag Along Right is hereinafter referred to as the "**Tag Along Securities**".

5.8.3 Process for exercise of Investor Tag Along Right:

(a) If any Selling Party is proposing to Transfer any Securities held by it to any Proposed Third Party Transferee (except in the manner as set out in Article 5.6.2 above), other than to the Investor, then the Selling Party shall provide a prior written notice (the "**Tag Along Offer Notice**") to the Investor, with a copy to the Company. The Tag Along Offer Notice shall, *inter alia*, state the following: (i) the number of Securities the Selling Party owns (or Selling Parties collectively own), prior to the proposed Transfer; (ii) the number of Promoter Sale Shares proposed to be Transferred by the Selling Party; (iii) the proposed consideration amount and an undertaking from the Selling Party that all consideration for the Promoter Sale Shares is being paid in cash only; (iv) the manner and time of payment of the cash consideration; (v) the proposed date of consummation of the proposed Transfer; (vi) the identity of the Proposed Third Party Transferee; (vii) the rights which are proposed to be granted/transferred to such Proposed Third Party Transferee; (viii) a representation that the Proposed Third Party Transferee, as identified in the Tag Along Offer Notice, has been informed of the Investor's Tag Along Right and has agreed to purchase all the Tag Along Securities from the Investor in accordance with this Article 5.8; and (ix) a representation that no consideration (including a refund or a discount), tangible or intangible, is being provided, directly or indirectly, to the Selling Party or to any of its Affiliates, over and above the Tag Offer Price. Such Tag Along Offer Notice shall be accompanied by true and complete copies of all agreements between the Selling Party and the Proposed Third Party Transferee regarding the proposed Transfer.

(b) In the event the Investor elects to exercise the Tag Along Right, it shall deliver a written notice of such election to the Selling Party (the "**Tag Response Notice**") within 30 (thirty) Business Days after the date of receipt of the Tag Along Offer Notice (the "**Tag Along Offer Period**") specifying that it has elected to exercise its Tag Along Right.

(c) If the Investor decides to exercise the Tag Along Right, the Selling Party shall cause the Proposed Third Party Transferee to purchase from the Investor its Tag Along Securities at the same price as is mentioned in the Tag Along Offer Notice.

(d) The Investor shall not be required to provide any representations, covenants or undertakings, grant any indemnifications, or incur any obligations to the Proposed Third Party Transferee or any Person other than a representation on the clear title to its Tag Along Securities and due authority and capacity to hold and Transfer its Tag Along Securities. The Selling Party shall ensure that all of the terms of the proposed Transfer offered by the Proposed Third Party Transferee to the Selling Party are also offered to the Investor.

(e) Within 5 (five) Business Days of the receipt of the Tag Response Notice by the Selling Party, the Selling Party shall provide to the Investor a written confirmation from the Proposed Third Party Transferee regarding its intention to purchase all the Tag Along Securities. If the Proposed Third Party Transferee is not willing to purchase the Tag Along Securities from the Investor at the same price as the Promoter Sale Shares mentioned in the Tag Along Offer Notice, then the Selling Party shall not be entitled to sell any of the Promoter Sale Shares to the Proposed Third Party Transferee. Notwithstanding the above, if the Proposed Third Party Transferee is willing to purchase only a part of the Promoter Sale Shares and the Tag Along Securities, then the number of Promoter Sale Shares to be sold to the Proposed Third Party Transferee shall be accordingly reduced so as to ensure that the Investor has the right to sell all the Tag Along Securities prior to any sale by the Selling Party of the Promoter Sale Shares to the Proposed Third Party Transferee.

(f) If: (i) the Investor does not deliver the Tag Response Notice to the Selling Party; or (ii) the Investor expressly waives the Tag Along Right, prior to the expiry of the Tag Along Offer Period, the Selling Party shall be entitled to Transfer the Promoter Sale Shares to the Proposed Third Party Transferee, as identified in the Tag Along Offer Notice, on the same terms and conditions and for the same consideration as is specified in the Tag Along Offer Notice upon the expiry of the Tag Along Offer Period or the receipt of the waiver from the Investor, as the case may be, without causing the Transfer of the Tag Along Securities.

(g) The closing of any purchase of the Promoter Sale Shares and the Tag Along Securities by the Proposed Third Party Transferee shall be held on the same day at the principal office of the Company on or before the 60th (sixtieth) day after the expiry of the Tag Along Offer Period or at such other time and place as the parties to the transaction may agree. At such closing, the Investor (if the Investor has exercised the Tag Along Right) and the Selling Party shall deliver duly executed transfer instructions to the relevant depository participant. The Proposed Third Party Transferee shall deliver at such closing payment in full of the price in respect of the Promoter Sale Shares and the Tag Along Securities to the Selling Party and the Investor (if the Investor has exercised the Tag Along Right), respectively. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the Transfer of the Tag Along Securities to the Proposed Third Party Transferee. Subject to sub-article (d) above, the Company, the Investor and the Promoters shall be required to provide necessary co-operation as reasonably requested to facilitate the Transfer of the Tag Along Securities to the Proposed Third Party Transferee.

(h) If completion of the Transfer to the Proposed Third Party Transferee does not take place within 60 (sixty) days following the expiry of the Tag Along Offer Period, the Selling Party's right to Transfer the Promoter Sale Shares to such Proposed Third Party Transferee shall lapse and the provisions of this Article 5.8 shall once again apply to any proposed Transfer of the Promoter Sale Shares.

5.9 For the purposes of this Article 5, in computing the period within which the transaction should be completed, the time required for obtaining the necessary Government Approvals for the purchase of the relevant Securities shall be excluded. The excluded time period shall commence from the date the necessary applications required for completing the transaction are made, and shall expire upon receipt of such Government Approvals.

Provided that nothing in Article 5 shall apply to a QIPO undertaken by the Company

6 LIQUIDATION PREFERENCE

6.1 Notwithstanding anything contained in these Articles, but subject to Applicable Law, in the event of the occurrence of any Liquidation Event, the total proceeds from such Liquidation Event, remaining after discharging or making provisions for discharging the statutory liabilities of the Company ("**Distributable Proceeds**"), shall be distributed in the manner set out in this Article 6.

6.2 Subject to Applicable Law, first, and before any payment is made to any other Shareholder, the Investor shall receive from the Distributable Proceeds an amount (hereafter referred to as the "**Investor Liquidation Amount**") which is the higher of: (i) an amount equal to the Investment Amount, plus any accrued or declared but unpaid dividends on its Investor Shares; and (ii) such amount as is equivalent to its proportionate share of the Distributable Proceeds, based on the Investor's then existing Shareholding Percentage, provided that, in the event that the Distributable Proceeds are less than the Investor Liquidation Amount, the Investor will have the right to receive (and the Promoters and the Company shall procure that the Investor receives) the entire Distributable Proceeds.

6.3 After payment in full to the Investor, as set forth in Article 6.2 above, the balance of the Distributable Proceeds, if any, shall be distributed to all Shareholders, excluding the Investor *pro rata* in proportion to their *inter se* shareholding held in the Company (calculated on a Fully Diluted Basis).

6.4 In the event that the Liquidation Event is a merger or a demerger involving the Company or the Subsidiaries, then the Investor shall have the right to require that it receives, pursuant to such merger or demerger, such number of securities in the resulting entity (pursuant to merger or demerger, as the case may be) or other consideration, the total value of which is equivalent to the value the Investor would have obtained pursuant to Article 6.2.

6.5 In respect of the Investor's right to receive payments under this Article 6, each of the Shareholders (other than the Investor) expressly waive any right that they may have under Applicable Law, whether preferential, *pari passu* or otherwise *vis-à-vis* the Investor's Securities, and shall implement such mechanism and / or structure permissible under Applicable Law to ensure that the intent of this Article 6 is given effect to.

6.6 The Company or the Promoters shall not undertake any Liquidation Event unless the terms of this Article 6 have been complied with in full and subject to the Investor's consent rights as contained in the Affirmative Vote Items.

6.7 For any Liquidation Event where the Distributable Proceeds are not solely received by the Company and received directly or indirectly by one or more Shareholders, the Promoters shall do all such acts / take all such necessary actions including holding in trust such Distributable Proceeds received by them from such Liquidation Event, on behalf and for the benefit of the Investor, as may be required to give effect to this Article 6.

6.8 The Company and the Promoters will honour the Investor's rights provided under this Article 6 in distributing the Distributable Proceeds out of a Liquidation Event in any manner legally permissible, including re-distribution of Assets or Distributable Proceeds that may be received by any or all of the Promoters in respect of a Liquidation Event to the Investor, so as to ensure that the intent of this Article 6 is achieved.

6.9 Notwithstanding anything else contained herein, the rights and entitlements of the Investor as set out in this Article 6 rank in preference to, and will be given priority over, any other rights and entitlements given to any other Shareholders.

7 TRANSMISSION

7.1 In case of natural persons who are members, the executor or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member. In case of the death of any one or more of the joint holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares. But nothing herein contained shall be taken to release the Board which may require such persons to obtain a Grant of Probate or Letters of Administration or other legal representation as the case may be from some competent court. Provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with the production of Probatory Letters of Administration or such other legal representation upon such terms as to indemnify or otherwise as the Board in its absolute discretion may consider necessary.

7.2 Any committee or guardian of a lunatic or infant member or any person becoming entitled to transfer of shares in consequence of the death, bankruptcy or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles or of the title as the Board thinks sufficient, may with the consent of the Board (which it shall not be under any obligation to give) be registered as a member in respect of such shares or be subject to the regulations as to transfer herein before contained.(This Article is hereinafter referred to as the **Transmission Article**).

8 FORFEITURE OF SHARES

8.1 If a Shareholder fails to pay any sum payable in respect of any call or any instalment of a call, with respect only to partly paid-up shares of the Company, on or before the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the said call or instalment remains unpaid, serve a notice on such member requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

8.2 The notice aforesaid shall name a further day not being earlier than the expiry of thirty days from the date of service of notice, on or before which such call or payment required by notice, is to be made and a place at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of nonpayment, on or before the date so named the shares in respect of which such call or instalment was payable shall be liable to be forfeited.

8.3 If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before the payment of calls or instalment, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture, subject to section 124 of the Act.

8.4 When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall in any manner be invalidated by any omission or failure to give such notice or to make such entry as aforesaid.

8.5 Any share so forfeited shall be deemed to be property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

8.6 The Board may at any time before any share so forfeited shall have been sold or otherwise disposed of, annul the forfeiture upon such terms and conditions, as it thinks fit.

8.7 (i) A person whose shares have been forfeited shall cease to be member in respect of forfeited shares, but shall

notwithstanding the forfeiture remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

(iii) The forfeiture of a share shall involve the extinction of all interest in and also for all claims and demands against the Company in respect of the shares and all other rights, incidental to the shares except any such of those rights as by these Articles are expressly saved.

8.8 A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. The Company may receive the consideration, if any, given for the shares on any sale or disposal thereof and may execute a transfer of share in favour of the person to whom the share is sold or disposed of. On receipt by the Company of the consideration, if any given for the shares on the sale or disposition thereof, the transferee shall be registered as the holder of such shares and the purchaser shall not be bound to see to the application of purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

8.9 The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same has been payable by virtue of a call duly made and notified.

8.10 When any shares under the powers in that behalf herein contained are sold by the Directors and the certificate has not been delivered to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.

8.11 Neither the receipt by the Company of a portion of any money which shall from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Board from thereafter proceeding to enforce a forfeiture of such shares as provided in these regulations for non-payment of the whole or any balance due in respect of the shares.

9 MANAGEMENT

9.1 General Covenants

9.1.1 Each of the Promoters and the Investor shall cause their nominees on the Board to exercise their voting rights in any Board Meeting of the Company (including its Alternate Directors) and each of the Promoters and the Investor shall exercise their respective votes or cause the exercise of the votes at any annual or extraordinary meeting of shareholders of the Company to take all actions necessary to ensure that the rights and obligations of the Company, the Promoters and the Investor, as specified in these Articles and the SHA and any amendments hereto or thereto, as the case may be, are included in the Memorandum and Articles of the Company.

9.2 Board of the Company

9.2.1 Authority of the Board: Subject to the provisions of these Articles and the Act, the Board shall be responsible for the management, supervision, direction and control of the Company and its Business.

9.2.2 Number of Directors: Subject to any additional requirements specified by any provisions of Applicable Law, the maximum number of Directors on the Board shall be 7 (Seven), unless otherwise agreed between the Company, the Investor and the Promoters in writing.

9.2.3 Composition of the Board: With effect from the Closing Date, unless otherwise agreed between the Company, the Promoters and the Investor in writing, the Board shall comprise of:

(a) 3 (three) Directors shall be nominated by the Promoters (the "**Promoter Directors**");

(b) 2 (two) Directors shall be nominated by the Investor (the "**Investor Directors**"); and

(c) 2 (two) Directors who qualify as independent directors under the Act (the "**Independent Director**") shall be nominated jointly by the Promoters and the Investor. Provided that, in the event that the Promoters and the Investor are unable to agree upon the nomination of the Independent Directors, the Promoters and the Investors shall each nominate 1 (one) Independent Director. It is clarified that if required by the Investor, the existing

Independent Directors on the Board as on 2nd May 2017 may be replaced at any time, in accordance with this Article 9.2.3(c).

9.2.4 Appointment of Nominee Directors:

(a) All Investor Directors shall be non-executive Directors and they shall not be liable to retire by rotation.

(b) The Company, the Investor and the Promoters shall undertake all actions as may be required including reconstituting the Board, if necessary, to ensure that the Investor and Promoters are able to appoint their respective nominee Directors on the Board, at all times, in the manner set out in these Articles.

(c) The Investor Directors shall at all times be appointed on all the committees and sub-committees of the Board including the audit committee and compensation committee of the Company.

9.2.5 Removal and Replacement of Directors:

(a) No Person, other than the Person appointing a Director, shall be permitted to remove or replace at any time and for any reason whatsoever the Director(s) nominated by such Person.

(b) The Investor and the Promoters may require the removal of any Director nominated by them respectively, and nominate another individual as its nominee Director in his/ her place, and the other Shareholders and the Company shall exercise their rights to ensure the removal and appointment of the nominee Directors as aforesaid. Notwithstanding anything else contained herein, unless incapacitated for any reason whatsoever, Promoter 1 will be nominated as one of the Promoter Directors and shall continue to act as such during the term of the SHA.

(c) In the event of resignation, retirement or vacation of office of any Director nominated by the Investor or the Promoters due to any other reason (including if such Director is disqualified by Law to continue to hold such position), then the Investor or the Promoters, as the case may be, shall be entitled to appoint another person as a nominee Director in such place and the other Shareholders and the Company shall exercise their rights to ensure the appointment of the individual nominated for appointment as Director as aforesaid.

9.2.6 Directors' Access: Each Director shall be entitled to examine the books, accounts, and records of the Company and the Subsidiaries and shall have free access, at all reasonable times, with notice, to any and all properties and facilities of the Company and the Subsidiaries. The Company shall provide, and the Promoters shall cause the Company and the Subsidiaries to provide, such information relating to the business affairs and financial position of the Company and the Subsidiaries as any Director may reasonably require.

9.2.7 Chairman of the Board: The chairman of the Board (the "**Chairman**") shall be Promoter 2, in accordance with the terms of his appointment as set out in the appointment agreement dated on or about the Execution Date or any other Director nominated by the Promoters from amongst the Directors present in such Board Meeting. If none of the Promoter Directors are present at any Board Meeting, then subject to quorum requirements, the Directors present at such Board Meeting shall appoint the Chairman from amongst themselves. The Chairman shall, subject to compliance with the other provisions of these Articles, including with respect to provisions relating to quorum, notices, voting etc. have a casting vote at all items to be decided at all meetings, save and except in relation to any Affirmative Vote Items.

9.2.8 Alternate Director: Subject to the provisions of the Act, each Director shall be entitled to nominate an Alternate Director (the "**Alternate Director**"). Each Director shall also have a right to withdraw the nominated Alternate Director and nominate another in his/her place. Upon such nomination, the Board shall appoint such nominee as an Alternate Director of such Director. The Company and the Shareholders shall take all such actions, including exercising their votes in relation to the Equity Shares controlled by them, as may be required to cause any Alternate Director nominated pursuant to this Article 9.2.8 to be duly appointed by the Board.

9.2.9 Frequency and Location: The Board will meet: (a) at least once a quarter; and (b) at the reasonable request of any Director. The Board Meeting shall be held in Hyderabad or any other location as may be agreed by the Company, the Investor and the Promoters in writing.

9.2.10 Notice:

(a) A Board Meeting may be called by the Chairman or any other Director by giving notice in writing to the Company Secretary of the Company specifying the date, time and agenda (the "**Agenda**") for such Board Meeting including clearly stating any Affirmative Vote Item on such Agenda. The Company Secretary shall, upon receipt of such notice, issue a notice (the "**Board Notice**") to all Directors, convening a Board Meeting, which Board Notice shall be accompanied by a written Agenda specifying the business of such meeting and

copies of all papers relevant for such Board Meeting. The Company shall ensure that sufficient information is included with such Board Notice to the Directors to enable each Director to make a decision on the issue in question at such Board Meeting. Not less than a minimum 7 (seven) days' prior written Notice shall be given to each Director of any Board Meeting, unless all the Directors unanimously give their written approval for a meeting called at shorter notice.

(b) Upon receipt of the Board Notice, any of the nominee Director(s) appointed by either the Investor or the Promoters shall be entitled to include any additional items (the "**Additional Items**") as they deem fit in the Agenda. In the event that a Director under this Article seeks to add any Additional Items on the Agenda, then such Director shall, by giving notice in writing to the Company Secretary specify the Additional Item(s) to be included in the Agenda. The Company Secretary shall, upon receipt of the Additional Items to be included in the Agenda, notify all Directors of the Additional Items to be included in the Agenda accompanied with copies of all papers relevant for the same. Upon inclusion of the Additional Items on the Agenda, the Board Meeting shall be re-scheduled to a further date being a date at least 7 (seven) days from the date on which the Company Secretary notifies all the Directors of the Additional Items included in the Agenda, unless 1 (one) Promoter Director and 1 (one) Investor Director give their written approval for a meeting called at shorter notice. It is hereby clarified that the Directors shall be entitled to include any Additional Items in the Agenda within 2 (two) Business Days of receipt of the original Board Notice but not thereafter.

9.2.11 Quorum: At all times, subject to due Board Notice having been provided to all Directors as per Article 9.2.10 above and the additional requirements as may be specified under Applicable Law, 1/3rd (one third) of the Board of Directors or 2 (two) Directors, whichever is higher, would constitute a quorum in Board Meetings, which shall include at least 1 (one) Investor Director and 1 (one) Promoter Director (unless, waived in writing by the Investor or the Promoter (as the case may be)). In the event that an Investor Director is not present, then the Board Meeting scheduled pursuant to the Board Notice (the "**Scheduled Board Meeting**") shall be postponed to the same place and time 7 (seven) Business Days from the Scheduled Board Meeting (the "**Postponed Board Meeting**"). If at such Postponed Board Meeting no Investor Director is present, the Directors present at such meeting shall be deemed to be the valid quorum and the Board Meeting shall continue and proceed with its Agenda (excluding any Affirmative Vote Item(s), which shall be governed in accordance with Article 9.4.2) without the Investor Director being present, subject to there being a valid quorum as per the provisions of the Act. The Agenda for a Postponed Board Meeting shall not contain any new matters other than those that were part of the Agenda for the Scheduled Board Meeting.

9.2.12 Voting: At any Board Meeting, each Director may exercise 1 (one) vote. All matters discussed at the Board Meeting shall be decided by way of a simple majority, except the matters relating to Affirmative Vote Items, which shall be decided in the manner set out in Article 9.4.2 below.

9.2.13 Videoconferencing & Telephonic Participation:

(a) The Directors may participate in Board Meetings by video conferencing or any other means of contemporaneous communication as prescribed under Applicable Law from time to time, provided that each person taking part in the meeting is able to hear each other person taking part, and provided further that each Director must acknowledge his presence for the purpose of the meeting and any Director not doing so shall not be entitled to speak or vote at the meeting.

(b) If permitted by the Act, the Directors may participate in Board Meetings by telephone or any other means of contemporaneous communication, provided that, each Person taking part in the Board Meeting is able to hear the other Persons taking part and provided further that each Director must acknowledge his presence for the purpose of the meeting and any Director not doing so shall not be entitled to speak or vote at the meeting.

9.2.14 Resolution by Circulation: Subject to Applicable Law, a written resolution circulated to all Directors or members of committees of the Board, and signed by a majority of them as approved, shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board of the Company or committee of the Board of the Company, called and held in accordance with the SHA and the Memorandum and these Articles, provided however that: (i) such written resolution shall be circulated in draft form, together with the relevant papers, if any, to all the Directors at least 7 (seven) Business Days prior to the circulation of any final written resolution; and (ii) if any 1 (one) or more such resolution pertains to any of the Affirmative Vote Items, then it shall be valid and effective only if it has received the written consent of at least 1 (one) Investor Director.

9.2.15 Directors' and Officers' Liability Insurance, and Indemnity:

(a) The Company shall obtain directors' and officers' liability insurance policies on terms reasonably acceptable to the Investor, to cover the liability of the Directors (including the Investor Directors, the Promoter Directors, and the Independent Director), on terms and conditions, acceptable to the Investor. The total amount of insurance

coverage for the Directors shall be such amount as is reasonable and customary for companies engaged in a business similar to the Business.

(b) Subject to the provisions of, and to the extent permitted by Applicable Law, each Investor Director and the Independent Director shall be indemnified out of the assets of the Company from and against any and all threatened, pending or completed actions, suits, claims or proceedings and any and all costs, damages, judgments, amounts paid in settlement and expenses (including without limitation attorney's fees and out of pocket expenses) which such Director/s may directly or indirectly incur, suffer, or bear due to the failure of the Promoters or the Company to comply with any of the provisions of any Applicable Laws, or the actual or purported execution or discharge of their duties or the exercise or purported exercise of their powers or otherwise in connection with their duties, powers or office or by reason of the fact that such person is or was a Director of the Company.

(c) Each Investor Director and the Independent Director shall be non-executive directors and shall have no responsibility for the day-to-day management of the Company or its Subsidiaries and shall not be deemed to be an "officer in default" as contemplated under the Act.

(d) The Company and Promoters shall indemnify and hold harmless any outgoing Director appointed by the Investor, from and against any direct or indirect loss caused to such Director arising out of, or in relation to or otherwise in respect of, such outgoing Director having served as a member of the Board.

(e) Notwithstanding anything contained above, the Company shall not be required to indemnify any Director under this Article 9.2.15 in the event that it is established that such Director has acted in a fraudulent manner.

9.2.16 Directors' fees and expenses: The costs of attendance of Directors at Board Meetings (including costs of domestic business class airfare, hotel accommodation, and local transportation) shall be borne by the Company. The Independent Director's fee shall be commensurate to the fee generally paid to independent directors as per market practice and such fee shall be borne by the Company.

9.2.17 Right to Appoint Observers: The Investor shall be entitled to appoint 2 (two) observers (the "**Investor Observers**") to attend all Board and committee and sub-committee meetings and speak at such meetings. The Board shall and the Promoters shall ensure that such Investor Observers are invited to all such meetings. Further, the Board shall and the Promoters shall ensure that the Investor Observers shall be given, and shall be entitled access, to the same documents and information as, and at the same time as, a Director and shall be entitled to receive notice of and attend and speak at, but not to vote at, meetings of the Board or committees thereof. This right shall extend to meetings of the boards of all Subsidiaries of the Company and to meetings of all committees of the boards. The Company shall reimburse each Investor Observer in respect of all travel, subsistence and accommodation expenses reasonably incurred by him in attending such meetings, provided that where the Investor Directors are appointed on the Board, the Company shall only reimburse 1 (one) and not both the Investor Observers for such expenses for an amount of up to INR 150,000 (Rupees one hundred and fifty thousand) in a Financial Year. The Investor Observers shall (other than the right to vote) have the same rights under Article 9 as an Investor Director.

9.2.18 Information Disclosure: As the Investor Directors and Investor Observers are appointed by the Investor, such Investor Directors and Investor Observers shall be entitled to report the matters concerning the Company, including, but not limited to, matters discussed at any meeting of the Board, to the Investor. The Investor Directors and Investor Observers may take advice and obtain instructions from the Investor.

9.3 **Meeting of the Shareholders of the Company**

9.3.1 Shareholders' Meetings: The Company shall hold at least 1 (one) general meeting of the Shareholders to be called as an "**Annual General Meeting**" in each Financial Year. All other general meetings of the Shareholders of the Company shall be called "**Extraordinary General Meetings**". The Annual General Meeting and the Extra-ordinary General Meetings are herein after collectively referred to as the "**Shareholders' Meetings**".

9.3.2 Shareholders' Meeting Notice: A meeting may be called by the Chairman or any 1 (one) Shareholder by giving notice in writing to the Company Secretary specifying the date, time and agenda for such Shareholders' Meeting including stating, in reasonable detail, any Affirmative Vote Item on such Agenda. A minimum 21 (twenty one) days' prior written notice shall be provided to all Shareholders of any Shareholders' Meeting, accompanied by the agenda for such Shareholders' Meeting unless the Investor and any Promoter shall have given prior written approval for such Shareholders' Meeting to be called at shorter notice (the "**Scheduled Shareholders' Meeting**").

9.3.3 Quorum: At all times, subject to the provisions of the Act, in order to constitute quorum at any Shareholders' Meetings, at least 1 (one) representative of the Investor and 1 (one) representative of the Promoters shall have to be present at such

a Shareholders' Meeting. In the event that at least 1 (one) representative of the Investor is not present after acknowledging receipt of notice of such Shareholders' Meeting, then the Shareholders' Meeting shall be adjourned to the same place and time 7 (seven) Business Days later. If, at the adjourned meeting, the representative of Investor is not present, the Shareholders present at such meeting shall be deemed to be the valid quorum and the Shareholders' Meeting shall continue and proceed with its agenda (excluding on the Affirmative Vote Item(s), which shall be governed in accordance with Article 9.4.2) without the representative of the Investor being present, subject to there being a valid quorum as per the provisions of the Act. The agenda for such an adjourned Shareholders' Meeting shall not contain any new matters other than those that were part of the agenda for the original Scheduled Shareholders' Meeting.

Provided nothing in Clauses 9.2 and 9.3 shall prohibit the Company from making such changes as may be required to comply with the corporate governance requirements as set out under Applicable Laws in relation to its QIPO under Clause 14

9.4 **Required Actions and Authority & Decisions on Affirmative Vote Items**

9.4.1 Required Actions and Authority: Subject to Article 9.4.2 herein below and subject to any additional requirements under the Act, the Memorandum and these Articles:

(a) at a duly called Board Meeting of the Company, all decisions shall be taken by a simple majority (the affirmative vote greater than 50% (fifty percent) of the Directors present and voting at a Board Meeting duly called and for which requisite quorum is present as required under these Articles or under the Act, as the case may be); and

(b) at a duly called Shareholders' Meeting, all decisions shall be deemed to be passed if the same has received the affirmative vote of the Shareholders present and voting in the manner as required under the Act, and for which requisite quorum is present as required under these Articles and under the Act. Voting shall take place by way of a poll.

9.4.2 Decision on Affirmative Vote Items:

(a) The Investor, being a professional investor, will not be involved in day-to-day operations of the Company or its Subsidiaries. However, in order to protect its economic interests, the Investor shall have specific Affirmative Vote Items, to enable it to have an affirmative vote on such matters which would have an impact on its investment in the Company.

(b) In view of the above, notwithstanding anything to the contrary contained in these Articles, no resolution shall be passed or action or decision shall be taken by the Company or any of its Subsidiaries in any manner, including by:

(i) the Board, at a meeting of the Board /committees of the Board, or by circulation, as the case may be; or

(ii) the Shareholders, at any Shareholders' Meeting,

in respect of any of the matters set out in the definition of Affirmative Vote Items (set out under Article 1.1 (or the Critical Affirmative Vote Items, as the case may be) unless the prior written consent of the Investor has been obtained: (a) at a meeting of the Board/committees of the Board or by circulation, as the case maybe; (b) at a Shareholders' Meeting; or (c) in writing from the authorised signatory of the Investor. For the avoidance of doubt, it is clarified that any resolution passed or any action or decision taken by the Company or a Subsidiary of the Company in violation of this Article 9.4.2 shall be null and void (and the Company and the Promoters shall take all necessary action to cancel, reverse or unwind any such resolution, action or decision unless otherwise instructed by the Investor).

(c) The Investor or the Investor Directors shall have the right to require that any Affirmative Vote Item (or the Critical Affirmative Vote Item, as the case may be) should be taken up at a Shareholders' Meeting instead of at a Board Meeting. Further, if the Investor has not appointed its Investor Directors to the Board (or otherwise is not represented on the Board), the Investor shall have the right to require that each of the Affirmative Vote Items (or the Critical Affirmative Vote Items, as the case may be) shall be taken up at a Shareholders' Meeting instead of at a Board Meeting.

9.5 **Officer in Default**

Promoter 1 shall be deemed to be the 'officer in default' of the Company. Within 60 (sixty) days of the Closing Date, the Promoters and the Investor shall mutually appoint another individual to act as the 'officer in default' of the Company and

on such appointment, Promoter 1 will no longer be deemed to be the 'officer in default' of the Company. The Promoters, the Investor and the Company shall ensure that necessary resolutions are passed by the Company to give effect to the intent of this Article 9.5.

9.6 **Subsidiaries**

9.6.1 Subsidiary Investor Directors: The Investor shall have the right to require the appointment of nominee directors on the board of directors of each of the Subsidiaries, pro *rata* on the basis of the entitlement of the Investor to appoint Investor Directors on the Board of the Company as set out in Article 9.2.3(b), subject to the Investor having the right to nominate at least 1 (one) director to the board of each such Subsidiary at all times (the "**Subsidiary Investor Directors**"). If the Investor exercises its right to appoint a Subsidiary Investor Director, the Company shall, and the Promoters shall ensure and procure that the Company shall, take all necessary steps and perform all such acts as would be necessary to effectuate the appointment of the Subsidiary Investor Director in the relevant Subsidiary, and with all of the rights and privileges set out herein. Subject to Applicable Laws, the Subsidiary Investor Directors shall be permanent directors whose office will not capable of being vacated by retirement or rotation.

9.6.2 The provisions of Article 9 shall apply mutatis mutandis (with such variations as may be necessary in the facts of the case and under Applicable Law) to each of the Company's Subsidiaries as if references therein to "Investor Director", "Company", "Director", "Board", "Board Meeting", "Scheduled Board Meeting", "Postponed Board Meeting", "Shareholders" and "Shareholders' Meetings" are references to the relevant "Subsidiary Investor Director", the relevant "Subsidiary", "director of the relevant Subsidiary", "board of directors of the relevant Subsidiary", "board meeting of the relevant Subsidiary", "scheduled board meeting of the relevant Subsidiary", "postponed board meeting of the relevant Subsidiary", the "shareholders of the relevant Subsidiary" and a "meeting of the shareholders of the relevant Subsidiary" respectively. To the extent that any procedures are to be carried out under Applicable Law to give effect to the above (including but not limited to making board appointments, providing proxies with respect to exercise of votes, etc.), the Company and Promoters shall undertake all necessary steps to complete such procedures.

9.6.3 Notwithstanding anything contained elsewhere in these Articles, until the appointment of the Subsidiary Investor Director on the board of directors of each of the Company's Subsidiaries, no action shall be taken by any such Subsidiary in relation to the Affirmative Vote Items without the prior written consent of the Investor (unless the right to make such appointment is waived).

9.6.4 The Company and the Promoters shall ensure that all rights of the Investor mentioned in this Article 9.6 and Article 10 (with such variations as may be required for the purpose of compliance with procedures under Applicable Law) shall be incorporated in the memorandum and articles of association or other charter documents of such Subsidiary and such provisions shall continue to form part of such documents as long as the Investor is a Shareholder, or shareholder of any Subsidiary.

9.7 **Deadlock**

9.7.1 A deadlock event (the "**Deadlock Event**") shall be deemed to have occurred upon the failure to pass any resolution on a proposal pertaining to an Affirmative Vote Item for 2 (two) consecutive Board Meetings (including the relevant Postponed Board Meeting) or 2 (two) consecutive Shareholders' Meetings (including the relevant adjourned Shareholders' Meeting, if any) as the case may be on account of the lack of the requisite number of votes in favour of the resolution (either by abstention or otherwise), or in case when there is no Investor Director on the Board, then on account of not receiving the written consent from the Investor in case of a resolution proposed at the Board level.

9.7.2 If the Deadlock Event cannot be resolved by the Shareholders within 30 (thirty) Business Days of the event which has resulted in a Deadlock Event having been deemed to occur under Article 9.7.1, then *status quo* shall be maintained in respect of the subject matter of the notified Deadlock Event.

10 **INFORMATION RIGHTS**

10.1 The Company shall, and the Promoters shall cause the Company to, provide to the Investor and its assignees or nominees, in relation to itself and the Subsidiaries the following information and reports:

(a) audited annual financial statements of the Company and the Subsidiaries including cash flow statements within 90 (ninety) days after the end of each Financial Year certified by the statutory auditor of the Company and the Subsidiaries;

(b) quarterly financial statements of the Company and the Subsidiaries including cash flow statements within 30 (thirty) Business Days of the end of each quarter of the Financial Year certified by an authorized representative of the Company and the Subsidiaries;

(c) monthly financial statements of the Company and the Subsidiaries within 15 (fifteen) Business Days of the end of each calendar month certified by an authorized representative of the Company and the Subsidiaries in the format followed by the Company and the Subsidiaries;

(d) draft minutes of all Board Meetings, committee meetings and Shareholders' Meetings shall be sent to the Investor within 7 (seven) Business Days after the holding of such meetings for its comments. The Investor Director present at the relevant meeting shall be entitled to communicate his/her comments within 7 (seven) days of receipt of the draft minutes;

(e) the Business Plan and an annual budget for the next Financial Year as approved by the Board of Directors of the Company and its Subsidiaries within 5 (five) Business Days from the date of approval;

(f) as soon as reasonably practicable, but in any event within 3 (three) Business Days of the management becoming aware of such occurrence, report to the Board and the Investor, the occurrence of any major occupational health and safety incident involving a death of an employee; and as soon as reasonably practicable, report, but in any event within 5 (five) Business Days of the management becoming aware of such occurrence, to the Board and the Investor the occurrence of any major occupational health and safety incident involving a permanent disablement of an individual which results in such individual being unable to return to work including loss of limbs, near drowning, impaired backs, loss of sight, electrocution, psychological disturbance.

(g) quarterly occupational health and safety report of the Company and the Subsidiaries within 10 (ten) days from the end of the relevant quarter of the Financial Year;

(h) copies of changes to any licenses and / or Material Contracts of the Company and the Subsidiaries on a quarterly basis and within 10 (ten) Business Days from the end of relevant quarter of the Financial Year;

(i) details of any notices, actions, litigations of a value equal to or more than INR 5,000,000 (Rupees five million only), winding-up proceedings or notices under any enactment or regulation, proceedings, dispute or adverse changes that impedes or which is likely to have a Material Adverse Effect on its Business or Assets or otherwise within 5 (five) days from the occurrence of such event;

(j) details of any event of force majeure or any other event which would have a material effect on the Company's profits or Business within 5 (five) days of the Company becoming aware of such event;

(k) a detailed capitalization table listing the Company's and each Subsidiary's shareholders, holders of other Securities as of each Financial Year end and each financial quarter end showing shareholdings for each along with the financial statements within 15 (fifteen) days of the end of the Financial Year or financial quarter (as the case may be);

(l) all notices, circulars and agendas of Board Meetings (including meetings of committees of the Board) as well as copies of all board papers at least 15 (fifteen) days prior to the Board Meeting or committee meeting and notices of each adjourned meeting shall be sent to the Investor at least 3 (three) days prior to the adjourned Board meeting or committee meeting; and

(m) any additional information as may be reasonably requested by the Investor from time to time.

10.2 The Company shall, and the Promoters shall cause the Company to, keep proper, complete and accurate books of account in rupees in accordance with Indian GAAP. All financial statements to be provided to the Investor under Article 10.1 shall be on a consolidated and unconsolidated basis and shall include at least a balance sheet, income statement, a statement of profit or loss, and statements of cash flow, and should be prepared in English in accordance with Indian GAAP and shall account for all expenses related to product development or research and development as expenses in the period in which they are actually incurred. All annual audited financial statements shall be certified by the statutory auditor of the Company.

10.3 The Company shall, and the Promoters shall cause the Company to, allow the Investor and its representatives the right during normal business hours to inspect books and accounting records of the Company, to make extracts and copies therefrom at its own expense and to have full access to all the property and assets of the Company, subject to the Investor giving prior notice to the Company of the same.

11 COMMON SEAL

11.1 The Board Shall provide a common seal for the Company and they shall have power from time to time to destroy the

same and substitute a new seal in lieu thereof and the common seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Company Secretary if there is one.

11.2 The seal shall not be affixed to any instrument except by authority of a resolution of the Board or and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall unless the same is executed by a duly constituted attorney for the Company, be signed as provided by the resolution of the Board of Directors, provided nevertheless that any instrument bearing the seal of the Company and issued by vary able consideration shall be binding on the Company notwithstanding and irregularity touching the authority to issue the same.

11.3 Save as otherwise expressly provided in the Act or these Articles, a document or by a resolution of the Board requiring authentication by the Company may be signed by a director, Managing Director, the manager, the secretary or an authorized officer of the Company and need not be under its seal.

12 LIABILITY OF DIRECTORS APPOINTED BY THE INVESTOR

12.1 (a) The Investor Directors are non-executive directors; and (b) the Investor Directors, Investor Observers and Subsidiary Investor Directors shall not be involved in the day-today management of the Company or the Subsidiaries, or in charge of, or responsible to, the Company or the Subsidiaries for the conduct of the business of the Company or the Subsidiaries. The Investor Directors, Investor Observers and the Subsidiary Investor Directors shall not be liable for any default or failure of the Company or the Subsidiaries, as the case may be, in complying with the provisions of any Applicable Law, including but not limited to defaults under the Act, FEMA Regulations, the FSSAI Act, environmental, Taxation and labour laws of India. If any matters relating to compliance with Applicable Law have arisen and require discussion, the same shall be specifically identified and set out in the Board Notice and Agenda for a Board meeting, and the recommendations of the Investor Directors and Investor Observers in that regard shall be considered in good faith by the Company.

12.2 The Company and the Promoters shall not identify the Investor Directors and the Subsidiary Investor Directors as 'officers in default' of the Company or the Subsidiaries, as the case may be, or occupiers or managers of any premises used by the Company or the Subsidiaries, as the case may be, or employers under Applicable Laws. In the event that any notice or proceedings have been filed against an Investor Director or a Subsidiary Investor Director, by reason of him/her being included within the scope of 'officer in default' or being an occupier or manager of any premises of the Company, the Company and the Promoters shall use all efforts to ensure that the name of such Director is excluded/deleted and the charges/proceedings (civil, criminal or otherwise) against such Director are withdrawn and shall also take all steps to defend such Director against such proceedings, and to the extent permitted by Applicable Laws, the Company shall pay for all liabilities, fines, losses or expenses that may be levied against or incurred by such Director.

13 CREATION OF SECURITY BY THE INVESTOR

In the event the Company and/or the Subsidiaries borrow money from eligible domestic and/or overseas lenders in accordance with Applicable Laws, the Investor shall not be required to:

(i) create any Encumbrance on any Securities held by the Investor;

(ii) provide any non-disposal undertakings in respect to any Securities held by the Investor;

(iii) provide any other form of security in favour of any lenders (including any guarantees); or

(iv) provide any assistance to the Company and /or any of the Subsidiaries to borrow money from eligible domestic and /or overseas lenders in accordance with Applicable Laws.

14 QIPO

14.1 The Investor shall have the right (but not the obligation) to require the Promoters and the Company to initiate the process for the listing of the Company's Equity Shares on the National Stock Exchange or the Bombay Stock Exchange, or an internationally recognised stock exchange or quotation system approved by the Investor in writing (a "**Recognised Stock Exchange**") by way of a qualified initial public offering ("**QIPO**") before the expiry of the 4th (fourth) anniversary of the Closing Date (the "**Preferred Listing Period**") in accordance with this Article 14. It is acknowledged by the Company, the Promoters and the Investor that (i) the Company and the Promoters have been, even prior to the Investor's proposed acquisition of Securities in the Company, considering undertaking an initial public offering; and (ii) the Investor shall not in any manner be deemed to be instrumental in the formulation of a plan or programme pursuant to which the Securities are offered to the public, pursuant to any rights under this Article 14.

14.2 The Investor shall be entitled to exercise the aforesaid right under Article 14.1 at any time after the expiry of the 1st (first)

anniversary of the Closing Date, by serving a written notice to the Company and the Promoters ("**QIPO Initiation Notice**"), and upon receipt of the QIPO Initiation Notice, the Promoters and the Company shall comply with the provisions of this Article 14 in order to conduct and complete the QIPO.

14.3 Upon receipt of the QIPO Initiation Notice from the Investor, the Company shall engage the Merchant Banker within 60 (sixty) days thereof to provide its advice and assessment on the public listing of the Equity Shares of the Company, including such Merchant Banker's opinion on the size, price, and timing of such public offer, and the proportion of primary and secondary Equity Shares to be offered in such a QIPO ("**Banker Recommendation**"). The Merchant Banker shall be requested to provide the Banker Recommendation within 90 (ninety) Business Days from the date of its appointment.

14.4 If the Banker Recommendation is to proceed with the QIPO, the Company and the Promoters shall be obligated to execute a mandate in favour of the Merchant Banker for implementing the QIPO within 30 (thirty) Business Days from the date of the Banker Recommendation. The Company and the Promoters shall also be required to take all necessary steps, pass all corporate resolutions and provide all co-operation to enable the Merchant Banker to implement the QIPO of the Company, on such terms and conditions (including with respect to the size, price, timing of such public offer, the proportion of primary and secondary Equity Shares to be offered in such a QIPO (subject to the provisions of Article 14.6, *etc.*) as are accepted in writing by the Investor. If the Banker Recommendation is not to proceed with the QIPO, the Investor shall continue to have the right to require the Promoters and the Company to undertake a QIPO by provision of a QIPO Initiation Notice at any later stage prior to the completion of the Preferred Listing Period, and the provisions of this Article 14 shall once again apply.

14.5 Notwithstanding anything contained in Articles 14.1 to 14.4, the price at which each of the Equity Shares of the Company are offered in the QIPO shall not be less than the price set out in Clause 12.5 of the SHA.

14.6 Notwithstanding anything contained herein, the QIPO may be conducted by a combination of the issuance of new Equity Shares and an offer for sale (the "**Offer for Sale**") of Equity Shares held by the Shareholders of the Company, provided that post completion of the QIPO, the Promoters (together with their Affiliates) shall hold not less than 60% (sixty percent) of the Share Capital of the Company on a fully diluted basis (proportionately reduced for any Securities that the Promoters and / or their Affiliates have Transferred to any Third Parties after the Closing Date). For the avoidance of doubt, it is clarified that if any QIPO would result in the Promoters (together with their Affiliates) holding less than 60% of the Share Capital of the Company on a Fully Diluted Basis (proportionately reduced for any Securities that the Promoter and / or their Affiliates have Transferred to any Third Parties after the Closing Date), then the Company and the Promoters shall not be required to complete such QIPO or comply with any Merchant Banker recommendation in respect thereof; and the failure to complete the QIPO on account of the QIPO resulting in the Promoters (together with their Affiliates) holding less than 60% of the Share Capital of the Company on a Fully Diluted Basis (proportionately reduced for any Securities that the Promoters and / or their Affiliates have Transferred to any Third Parties after the Closing Date), shall not be a Material Event of Default. In an Offer for Sale by the Shareholders of the Company, the Investor shall have a first right, but not the obligation, to offer at least 75% (seventy-five percent) of the Equity Shares then held by the Investor in such Offer for Sale. If any additional Equity Shares are required to be offered by the Company or the Shareholders of the Company to meet the then existing mandatory initial public offering norms prescribed by SEBI or the Recognised Stock Exchanges where the Equity Shares are proposed to be listed or any other regulatory authority whose consent is required for the completion of the QIPO, then the Promoters shall first offer their Equity Shares as part of the Offer for Sale to meet such regulatory requirements, failing which the Company shall issue such number of new Equity Shares to the public that is necessary to satisfy such regulatory requirement. Notwithstanding the foregoing, if the Investor so requests, the Promoters will use their best efforts to enable the Investor to offer all of the Equity Shares held by it at the time of the QIPO in such offering.

14.7 Subject to Applicable Law, all fees and expenses required to be paid in respect of the QIPO, including those for any Merchant Bankers, underwriters, book-runners, issue registrars or other intermediaries involved in any manner in relation to the QIPO, shall be borne and paid for by the Company and the Shareholders participating in the Offer for Sale respectively, on a pro-rata basis, and in proportion to the primary issuance and Offer for Sale components of the QIPO.

14.8 The Company and the Promoters shall comply with all procedures and steps set out in, or contemplated by, this Article 14 in order to conduct and complete the QIPO, and that they shall take all necessary actions required for undertaking the QIPO, including, but not limited to, providing Equity Shares held by the Promoters to satisfy any lock-in requirements (as applicable to the Promoters), voting on all Securities and any other shares in any other entity, in favour of such transaction, providing representations, warranties and indemnities as required, facilitating any due diligence that may be conducted, preparing and signing the relevant offer documents, conducting road shows, entering into such documents, providing all necessary information and documents necessary for preparing the offer document, obtaining such regulatory or other approvals and doing such further reasonable acts or deeds as may be necessary. The Investor shall provide necessary assistance as may be reasonably requested by the Company to give effect to the intent of this Article 14.

14.9 Notwithstanding anything contained in these Articles, (a) the Company shall not file its RHP at any time prior to the

expiry of 12 (Twelve) months from the Closing Date; and (b) neither the Investor nor any of its Affiliates shall be named or deemed as a 'promoter' of the Company or its Subsidiaries in the prospectus or any other documents related to a public offering or otherwise nor shall any declaration, disclosure or other announcement be made by the Company, Promoters or their respective Affiliates to this effect. None of the obligations of the Promoters under these Articles or prescribed by Applicable Law shall be applicable to the Investor or its Affiliates and the Investor or its Affiliates shall not be required to offer or make available their Securities in the Company for the purposes of any mandatory lock-in as applicable to 'promoters' under the SEBI ICDR Guidelines in respect of public offerings or otherwise If, pursuant to any Applicable Law, any Securities are required to be locked-in pursuant to the minimum contribution for lock-in applicable to 'promoters', the Promoters shall offer or make available their Securities in the Company for the purposes of the mandatory lock-in as applicable under the relevant Applicable Law. In the event that any Person or Governmental Authority concludes, takes a view or asserts that the Investor and / or its Affiliates are 'promoters' (or otherwise treats the Investor and / or its Affiliates as a 'promoter'), then the Promoters and the Company shall co-operate with the Investor and / or its Affiliates and make such representations and make full disclosures to such Person or Governmental Authority as may be reasonably required by the Investor and/or its Affiliates to appropriately address the same. For the avoidance of doubt, it is clarified that, if thereafter any Person or Governmental Authority refuses to recognize the Investor as not being a 'promoter' it shall not be a Material Event of Default under these Articles; however in such a scenario, unless otherwise directed by SEBI, the Promoters shall offer or make available such number of additional Securities in the Company for the purposes of any longer mandatory lock-in period which is applicable to 'promoters' of a company.

14.10 Without prejudice to the generality of Article 14.9 above, in the event the Company undertakes a QIPO, if requested by the Investor, the Promoters, the Company and the Investor shall enter into an agreement for the dilution of some (but not all) of the Investor's rights, interests and protections (including but not limited to the Affirmative Vote Rights) (such dilution of rights, interests and protections, in the aggregate, the "**Affected Rights**") set out in the SHA or these Articles, if, and only to the extent required to:

(a) demonstrate to the applicable Governmental Authorities that the Investor or its Affiliates do not qualify as 'promoters' of the Company under Applicable Law for the purposes of such QIPO; and

(b) to ensure that the Company complies with the Applicable Law and all regulatory requirements (inclusive of the requirement of the Recognized Stock Exchanges and under the listing agreements) for the purposes of listing of the Equity Shares on a Recognized Stock Exchange.

14.11 The dilution of the Affected Rights (including amendment of these Articles to reflect such dilution) shall be implemented, and come into force, on the last date permitted under Applicable Law and provided the Company is proceeding with the QIPO. If the QIPO is not completed as contemplated herein, the dilution of the Affected Rights pursuant to this Article 14 shall cease to have any effect and such Affected Rights shall be deemed to be immediately and automatically (without the need for further notice) reinstated in these Articles with full force and effect, and the Shareholders and the Company shall, if requested by the Investor, pass all such resolutions and take all such actions as are necessary or reasonably requested by the Investor to formally reinstate the Affected Rights in these Articles.

14.12 It is clarified that, if any Securities acquired in the future by the Investor are convertible into Equity Shares and such Securities have not been converted into Equity Shares as on the date of consummation of the QIPO, the Investor may (at its sole option) require the Company, and the Company shall, promptly and, in any event, within 5 (five) Business Days from receipt of such request, undertake such steps as are necessary, or reasonably requested by the Investor, for converting such Securities held by the Investor into Equity Shares.

14.13 (i) No Subsidiary or holding company of the Company shall undertake a public offering of its share capital on any stock exchange prior to the QIPO of the Company on a Recognised Stock Exchange without the prior written consent of the Investor, which may be granted by the Investor subject to such terms and conditions as the Investor may deem fit; and (ii) notwithstanding anything to the contrary herein, the consummation of any public offering of the Company's Securities shall at all times be subject to the rights of the Investor under Article 9.4.2 of these Articles.

14.14 For the avoidance of doubt, it is clarified that nothing in this Article 14 or these Articles shall (a) require the Promoters to offer their Securities; or (b) require the Company to issue further Securities to the public, as a part of a QIPO if such offer / issuance is likely to result in the Promoters (together with their Affiliates) holding less than 60% (sixty percent) of the Share Capital of the Company on a fully diluted basis (proportionately reduced by any Securities that the Promoters and / or their Affiliates have Transferred to any Third Parties after the Closing Date).

14.15 Subject to approval by post QIPO shareholders, the Parties agree that upon completion of the QIPO, the Investor shall have a right to nominate 1 (one) director on the Board, until such time that the Investor continues to hold 5% (Five percent) of the fully diluted share capital of the Company.

15 **INVESTOR SALE**

15.1 If the Company has not completed a QIPO by the end of the Preferred Listing Period in the manner contemplated in Article 14 above, then the Investor shall be entitled to exercise any of the exit options set out in this Article 15 and Article 16 below.

15.2 **Exit During the Exit Period**

15.2.1 If the Company has not completed a QIPO during the Preferred Listing Period, then, for a period of 12 (twelve) months after the expiry of the Preferred Listing Period (the "**Exit Period**"), the Investor may, at least 3 (three) months prior to the expiry of Exit Period, invite the Promoters to make a proposal for purchasing all of the Securities then held by the Investor (the "**Exit Invitation**") and the Promoters may, at their sole discretion and within 20 (twenty) Business Days of receiving the Exit Invitation, make an offer to the Investor to purchase all of the Securities (the "**Offer**") held by the Investor in the Company, for the Offer Price (as defined below). Such Offer shall: (a) be unconditional, irrevocable and binding on the Promoters; (b) provide details of the Promoters' source of funding for paying the Offer Price; and (c) include an undertaking that the Promoters have (or, as at the date the Offer will be completed, will have) sufficient funds to pay the Offer Price.

15.2.2 If the Offer and the Offer Price are acceptable to the Investor, then the Investor is entitled (but not obliged) to accept the Offer and sell the Securities then held by the Investor to the Promoters at the Offer Price and the Promoters shall be bound to acquire the Investor's Securities in accordance with the Offer and at the Offer Price.

15.2.3 The Company, the Investor and the Promoters shall cooperate with each other to ensure that the structure of the sale of the Investor's Securities to the Promoters pursuant to this Article 15.2 is (a) tax efficient for the Promoters, the Investors and the Company; and (b) designed to limit any regulatory requirements (including regulatory consents) connected with the Investor's exit.

15.2.4 The Offer by the Promoters, issued to the Investor in accordance with Article 15.2.1 and Article 15.2.5(a), shall be valid for acceptance by the Investor for a minimum period of 2 (two) months and a maximum period of 6 (six) months from the date of receipt of the Offer Notice by the Investor (the "**Offer Period**"), provided that the Investor must accept the Offer prior to the end of the Exit Period. The Promoters' right to make an Offer to the Investor, as contemplated by Article 15.2.1 and Article 15.2.5, shall be exercised in accordance with the procedure set out in Article 15.2.5 below.

15.2.5 Procedure for the making of the Offer by the Promoters:

(a) The Promoters shall make the Offer by issuing a notice in writing (the "**Offer Notice**") to the Investor stating the duration of the Offer Period, as per Article 15.2.4 above, and the price per Investor Security at which the Promoters are willing to purchase all of the Securities held by the Investor (the "**Offer Price**"). The Offer, and the Offer Price, shall: (i) be in cash consideration only; (ii) be for all of the Securities held by the Investor at the date upon which the Offer Notice is issued to the Investor; and (iii) not be contingent on any representations, warranties, indemnities or conditions except for representations and warranties pertaining to the Investor's clear title to the Securities, and its capacity to undertake the Transfer.

(b) If the Investor wishes to accept the Offer, the Investor shall deliver a written notice to the Promoters (the "**Response Notice**") within the Offer Period (but before the end of the Exit Period) specifying the number of Securities which the Investor is willing to transfer to the Promoters at the Offer Price (the "**Offered Shares**"). Upon service of the Response Notice, the Offer shall be unconditional, irrevocable and binding on the Promoters, the Investor and the Company, and the Promoters shall be bound to acquire the Offered Shares in accordance with the terms of the Offer at the Offer Price and the Response Notice.

(c) If the Investor does not deliver the Response Notice to the Promoters within the Offer Period or the Investor rejects the Offer, the Investor will have no obligation whatsoever to sell its Securities to the Promoters.

(d) The closing of any purchase of the Offered Shares (the "**Offer Closing**") by the Promoters shall be completed within a period of 45 (forty-five) Business Days from the date of the Response Notice or such longer period as may be determined and notified to the Promoters by the Investor (the "**Offer Closing Long Stop Date**").

(e) If the Offer Closing does not take place on or before the Offer Closing Long Stop Date, then the proposed sale of Offered Shares to the Promoters shall be deemed to be automatically cancelled and terminated, provided that the Promoters and the Investor may agree to extend the Offer Closing to a date that falls after the Offer Closing Long Stop Date.

15.2.6 All costs and expenses payable to facilitate a Transfer of Securities from the Investor to the Promoters under this Article 15 shall be borne by the Investor. However, in the event of an Accelerated Exit under Article 24, the Company shall bear all such costs.

16 THIRD PARTY TRANSFER

16.1 If the Company has not completed a QIPO during the Preferred Listing Period in the manner contemplated in Article 14 above and the Promoters have not purchased all the Securities held by the Investor during the Exit Period (or after the Exit Period where the Investor has delivered a Response Notice before the end of the Exit Period but the Offer Closing occurs after the Exit Period) in the manner contemplated in Article 15 above, then the Investor shall be entitled (but not obliged), by provision of a written notice ("**Third Party Transfer Notice**"), to require the Company and the Promoters to initiate a sale process for all of the Securities then held by the Investor (together with all rights and benefits attached to such Securities, including, without limitation, the rights, interests and protections set out in, or contemplated by the terms of, the Transaction Documents), to any Person as may be identified by the Promoters (other than a Prohibited Person), at a price per Security and upon such other terms and conditions as may be acceptable to the Investor ("**Third Party Transfer**"); and for this purpose, a "**Prohibited Person**" shall mean any Person, a Transfer to whom would result in the breach or violation of any laws applicable to the Investor, including laws pertaining to Sanctions. The Company and the Promoters shall use their respective best efforts to identify such Third Party purchaser within 60 (sixty) Business Days of receiving a Third Party Transfer Notice, or such longer period as may be reasonably requested by the Investor. Notwithstanding the foregoing, the Investor shall be entitled to identify any Third Party purchaser it sees fit, and Transfer any, or all of, the Investor's Securities to such Third Party without any restriction whatsoever, on such terms and conditions as the Investor may deem fit in its sole discretion, notwithstanding anything contained in Article 5.5 (*Right of First Offer*) or the other provisions of these Articles. It is clarified, for the avoidance of doubt, that the provisions of Article 5.5 (*Right of First Offer*) shall not apply to any Transfer of the Investor's Securities conducted pursuant to this Article 16.

16.2 Upon receipt of the Third Party Transfer Notice, the Promoters and the Company shall: (a) appoint a Merchant Banker, the appointment of which must be approved by the Investor, who shall be given the mandate of identifying Person(s) desirous of purchasing any, or all, of the Securities; and (b) appoint such other financial or technical advisors, bankers, lawyers and accountants or other intermediaries, as acceptable to the Investor, to facilitate such Third Party Transfer. The Third Party Transfer shall be effected at a price per Security and upon other terms and conditions as are acceptable to the Investor in its absolute discretion.

16.3 The Company and the Promoters shall provide such assistance as may be required by the Investor for the purpose of facilitating the Third Party Transfer, including providing representations, warranties and indemnities as required and such information and access to personnel and documents as may be required by the Third Party purchaser for the purpose of conducting a diligence on the Company or the Subsidiaries.

16.4 All costs and expenses payable (including Merchant Banker financial, technical advisors, bankers, lawyers and accountants cost) to facilitate a Third Party Transfer under this Article 16 shall be borne by the Investor. However, in the event of an Accelerated Exit under Article 24, the Company shall bear all such costs.

17 COMPANY BUYBACK

17.1 If the Company has not completed a QIPO during the Preferred Listing Period (or any extended period agreed to by the Investor) and, if an exit has not been provided to the Investor within the Exit Period in the manner contemplated by Articles 14 to 16, the Investor shall be entitled to require the Company to initiate a buyback of all, or a portion, of the Investor's Securities ("**Buyback**"), and the Company shall, subject to having sufficient cash, complete such Buyback in accordance with the provisions below:

(a) The price at which each Investor Security shall be bought back shall, subject to Applicable Law, be the Buyback Price (as defined in the SHA, and the provisions of Clauses 15.1 and 15.2 of the SHA shall apply in that regard, and shall be deemed to be incorporated by reference herein). The Promoters and all other Shareholders shall renounce any buyback of their Securities for the purposes of such Buyback and shall not tender them in any buyback offer made by the Company, unless and until all the Investor Securities held by the Investor (or the portion of such Investor Securities tendered to the Company as part of the Buyback) are bought back in full; and

(b) The Buyback shall be completed within 90 (ninety) Business Days of the process for the Buyback being initiated, or within such other earlier time period as may be agreed by the Company, the Investor and the Promoters.

17.2 The Company and the Promoters shall (i) provide the Company Approved Valuer, Investor Approved Valuer and Additional Approved Valuer (as the case may be, appointed in accordance with the terms of Clause 15.2 of the SHA) the information, documents and materials as be required by each of them in order to calculate the Fair Market Value; and (ii) make reasonable efforts to secure funding for the Company from a Third Party, in the event that the Company has insufficient cash to complete the Buyback as contemplated hereunder.

17.3 The Investor shall bear all costs in relation to the Buyback (including legal fees, accounting fees, investment / merchant banker expenses, Approved Valuers expenses *etc*). However, in the event of a Default Buyback under Article 23.1.4, the Company shall bear all costs in relation to the Buyback.

17.4 For the avoidance of any doubt, it is hereby clarified that the right of the Investor to require the Company to initiate the "Company Buyback" or "Default buyback" as the case may be, is at the sole discretion of the company and the Company is not obligated to initiate "Company Buyback "or "Default buyback" if they don't intend to, for reason whatsoever.

18 GENERAL EXIT PROVISIONS

18.1 Each of the rights of the Investor contained in Article 14 through to Article 17 (collectively, the "**Exit Articles**") are independent of each other, and independent of any other rights available to the Investor under these Articles or under Applicable Laws. The Company and the Key Promoters shall, jointly and severally , do all such acts and deeds as may be necessary to provide a complete (or, if requested by the Investor, partial) exit to the Investor as required under the Exit Articles set out in these Articles, including obtaining all required Approvals, if any, in a timely manner, and providing full support and all assistance to the Investor in selling part or whole of its Investor Securities pursuant to any process initiated under the Exit Articles.

18.2 In the event of an exit / exit transaction under the Exit Articles, the transfer restrictions set out at Article 5 (excluding Article 5.2) of these Articles shall not apply in respect of any of the Shareholders, to the extent necessary to effectuate the Exit.

19 NON-COMPETE

19.1 None of the Promoters and their respective Affiliates (excluding the Company) shall use, directly or indirectly, either by themselves or in association with or through any Person or entity, in any manner whatsoever, the name, brand name, mark and logo (a) "Dodla Dairy" in relation to any other business including a Similar Business; and (b) "Dodla" in respect to (i) any fast moving consumer goods sector businesses or activities; or (ii) food or food products businesses or activities (collectively referred to as the "**FMCG Sector**"). Provided that, nothing in these Articles shall prevent the Promoters and their Affiliates from using the name "Dodla" for any business, activity or product which does not fall within the FMCG Sector. Notwithstanding anything contained above, nothing in this Article 19 shall prevent the Promoters or their respective Affiliates from using the name, brand name, mark or logo "Dodla" in those companies listed in Annexure 7 to the SHA.

19.2 Notwithstanding anything contained in Article 19.1 above, the Investor acknowledges that Promoter 1 has set up two entities which use the term 'Dodla Dairy' in its name i.e. (a) Dodla Dairy (Siddipet) Private Limited; and (b) Dodla Dairy (Vinjumuru) ("**Dodla Dairy Entities**"). Promoter 1 shall ensure that each of the Dodla Dairy Entities makes an application with the Registrar of Companies and / or other relevant authority to change the names of the above mentioned entities to a name which does not use the term 'Dodla Dairy' within 30 (thirty) days from the Closing Date, and take all other actions to ensure that the above mentioned entities cease using the term 'Dodla Dairy' as part of their names on receipt of the name change approval from the Registrar of Companies and / or other relevant authority to a name which does not use the term 'Dodla Dairy'. If the cost of making the application for change of name of Dodla Dairy (Vinjumuru) is (i) INR 650,000 (Rupees six hundred and fifty thousand only) or less, the cost of such name change shall be borne by Promoter 1 (or Dodla Dairy (Vinjumuru)); and (ii) more than INR 650,000 (Rupees six hundred and fifty thousand only), the Investor would have the option to either (A) reimburse Promoter 1 (or Dodla Dairy (Vinjumuru), as the case may be) for such costs for the name change; or (B) waive the requirement for Dodla Dairy (Vinjumuru) to change its name and require an undertaking to be provided by Promoter 1 and Dodla Dairy (Vinjumuru) to the effect that the only business activities of Dodla Dairy (Vinjumuru) is to act as a milk chilling centre and provide milk to the Company ("**Vinjumuru Business**") and that other than the Vinjumuru Business, no other business would be carried out by Dodla Dairy (Vinjumuru).

19.3 Each of the Key Promoters shall, and shall ensure that all the Key Employees of the Company shall, devote substantially all of their time to the management and operations of the Company.

19.4 Each of the Promoters shall, and shall ensure that their respective Affiliates (excluding the Company) shall, on and from the Closing Date, give up, part with, or cease and desist from carrying on any activity or business which is similar or falling within the scope of the Business (the "**Similar Business**").

19.5 On and from the Closing Date, each of the Promoters shall not, and shall ensure that their respective Affiliates (excluding the Company) shall not, directly or indirectly, either by themselves or in association with or through any Person or entity, in any manner whatsoever:

(a) commence, establish, promote, finance, invest in, carry on, engage in, conduct, attempt to commence, own, manage, operate, join, assist, have an interest or control in any business entity which is carrying on a Similar Business;

(b) engage in or conduct or carry on any Similar Business;

(c) other than for the benefit of the Company, in the manner authorised by the Board, canvass or solicit for any Similar Business for itself or as an agent of any Person;

(d) utilise the word or the name "Dodla Dairy" and other derivatives thereof in relation to any business or activities including any Similar Business, or do any act which adversely affects or injures the goodwill of the Company, its Subsidiaries, or the aforesaid trademarks. Provided that, nothing in this Article 19.5 (d) shall prevent any of the Dodla Dairy Entities from using the name "Dodla Dairy" till the name change application referred to in Article 19.2 above has been approved by the Registrar of Companies / other similar authority (if any);

(e) other than for the benefit of the Company, in the manner authorised by the Board, solicit any customer, distributor, supplier, dealer, or agents for the purpose of any business including the Similar Business; or

(f) solicit, canvass or entice away any staff, employee who is employed in any managerial, supervisory, technical, sales or administrative capacity from the Company or its Subsidiaries for any Similar Business or any other business.

19.6 Notwithstanding any other provision of these Articles, the Promoters shall not sell their Securities to any Person who is engaged in a Similar Business except with the prior written consent of the Investor.

19.7 Any breach of the Promoters' obligations under this Article 19 by any of them or their respective Affiliates shall cause considerable damage and irreparable loss to the Company, its Subsidiaries and its Shareholders which are not capable of being remedied by damages. Accordingly, in such event, the Company and its Shareholders shall therefore be entitled to obtain injunctive relief to specifically enforce these Articles which shall be in addition to any remedy which the Company or its Shareholders may have in law, equity or otherwise, including the remedies available to the Company or the Investor against the Promoters and their respective Affiliates in terms of these Articles.

19.8 Notwithstanding any provisions to the contrary in these Articles, for the purpose of this Article 19, the Promoters' obligations under this Article 19 shall be joint and several, and a breach by any one Promoter of the provisions of this Article 19 shall be deemed as a collective breach by all the Promoters.

20 ANNUAL RETURNS

The Company shall make the requisite annual returns in accordance with Sections 92 of the Act.

21 ETHICAL BUSINESS PRACTICES

21.1 Each of the Company, the Investor, and the Promoters, to the extent specified below, warrants and covenants the following to each other with respect to the business of the Company:

(i) The Company shall continue to take such measures as are required by Applicable Law to ensure that the funds invested in the Company are derived from transactions that do not violate the Anti-Corruption Laws, Anti-Money Laundering Laws, or Sanctions Laws and Regulations.

(ii) Each of the Company, the Investor, and the Promoters shall cooperate with each other in providing such additional information and documentation on the legal or beneficial ownership, policies, procedures and sources of funds for the transaction as necessary or prudent to enable each other to comply with any Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions Laws and Regulations.

(iii) The Company shall, and shall cause its Subsidiaries and the officers, directors, employees, and agents of the Company and its Subsidiaries to conduct the business of the Company and the Subsidiaries in compliance with AntiCorruption Laws, Anti-Money Laundering Laws, and Sanctions Laws and Regulations.

(iv) If the Investor reasonably believes that the Company may have breached, or any other party may have caused the Company to have breached, any of the covenants set forth in this Article 21, the Investor shall have the right to notify the appropriate Governmental Authority and to take such action as such Governmental Authority may direct.

(v) The Company will ensure that no Covered Person will be party to the use of the assets of the Company for the establishment of any unlawful or unrecorded fund or monies or other assets or making of any unlawful or undisclosed payment.

(vi) The Company will ensure that no Covered Person is a Person with whom transactions are prohibited under any Anti-Money Laundering Laws, AntiCorruption Laws or Sanctions Laws and Regulations. The Company shall not use, and shall procure that no Covered Person shall use, directly or indirectly, the proceeds received under any of the Transaction Documents for the purpose of, or with the effect of, funding or facilitating any activities or business of or with any Person that would result in a violation of any provision of any of the Anti-Money Laundering Laws or Sanctions Laws and Regulations by any Person. The Company and its Subsidiaries will maintain all necessary and appropriate safeguards to ensure their compliance with this Article.

(vii) The Company shall cause to be delivered to the Investor all information reasonably requested by the Investor to satisfy its reporting and audit obligations to its direct and indirect investors or auditors.

(viii) The Company shall not, and shall procure that no Covered Person shall, (i) take any act that would cause the Company or, as of the date of the hereof, the Investor, or any of their respective directors, officers, or employees, to be in violation of any Sanctions Laws and Regulations; (ii) enter into or facilitate any new contract, investment, or transaction on behalf of the Company with a Sanctions Target that would cause any Person to be in violation of, or be sanctionable under, any applicable Sanctions Laws and Regulations; or (iii) make any new equity investments or pursue any new business activities on behalf of the Company that would cause any Person to be in violation of, or be sanctionable under, any Sanctions Laws and Regulations. The Company shall inform the Investor before entering into or facilitating any new contract, investment, or transaction involving any Sanctions Target.

(ix) The Company shall not, and shall procure that no Covered Person shall, take any act that would cause the Company or, as of the date hereof, the Investor, to be in violation of the Anti-Corruption Laws. Without limiting the generality of the foregoing, the Company shall not, and shall procure that no Covered Person shall on behalf of the Company, take any act in furtherance of a payment, offer, promise to pay, or authorisation or ratification of a payment of any gift, money or anything of value to (i) a Government Official, or (ii) any person or entity, while knowing or having reasonable grounds to believe that all or a portion of that payment will be passed on to a Government Official to obtain or retain business or to secure an improper advantage, in violation of the Anti-Corruption Laws.

(x) The Company shall not, and shall procure that no Covered Person shall on behalf of the Company, offer, give, promise to pay, or authorise the payment of, anything of value directly or indirectly to or for the benefit of any agent, intermediary, or employee of another company to improperly influence the recipient's action or otherwise to obtain or retain business or to secure any improper business advantage.

(xi) Other than as mandated by Applicable Law, the Company shall ensure that the Company and Covered Persons shall not offer or provide a Government Official or Governmental Authority with an interest, whether direct or indirect, legal or beneficial, in the Company or in any of its Subsidiaries or any legal or beneficial interest in payments made to the Company pursuant to these Articles.

(xii) The Company shall ensure that no director or officer of the Company or its Subsidiaries shall make or cause to be made any false or misleading statements to, or shall attempt to coerce or fraudulently influence, an accountant in connection with any audit, review, or examination of the financial statements of the Company.

(xiii) The Company shall ensure that no license, permit, or land use rights are obtained in violation of Anti-Corruption Laws.

(xiv) The Company shall ensure that it shall maintain reasonable internal controls and procedures intended to ensure compliance with the Anti-Corruption Laws, including an anti-corruption compliance policy.

(xv) The Company shall, and shall procure that each of its Subsidiaries shall: (a) maintain its books and records in a manner that, in reasonable detail, accurately and fairly reflects the transactions and dispositions of the assets of the Company; (b) maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) violations of applicable Anti-Corruption Laws will be prevented, detected, and deterred; (ii) transactions are recorded as necessary (A) to permit preparation of periodic financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (B) to maintain accountability for assets; (iii) the recorded assets are compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; (iv) access to its assets is permitted only in

accordance with management's authorisation; and (v) does not maintain any off-the-books accounts or more than one set of books, records, or accounts.

(xvi) Notwithstanding any other provision of these Articles to the contrary, nothing herein shall (i) require any Shareholder to make any payment that it reasonably believes will constitute a violation of the Anti-Corruption Laws or other Applicable Laws or (ii) prohibit any Shareholder, in its sole discretion, from reporting any actual or possible violation of the Anti-Corruption Laws, AntiMoney Laundering Laws, Sanctions Laws and Regulations, or other Applicable Laws to law enforcement officials.

(xvii) Each of the Company, the Promoters, and the Investor and their Affiliates may be subject to (i) the Anti-Corruption Laws; (ii) Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107 56 (2001) and other similar laws and regulations, (iii) Sanctions Laws and Regulations, and (iv) U.S. antiboycott laws and regulations administered by the U.S. Department of Commerce and the U.S. Internal Revenue Service (collectively, the "**Transactional Requirements**").

(xviii) The Company shall not and shall direct its direct or indirect shareholders, officers and employees, not to take any action or knowingly omit to take any action that would cause a violation by the Company or the Investor or any of their respective Affiliates of the Transactional Requirements, regardless of U.S. jurisdiction over the activity.

(xix) The Company shall adopt and shall procure that the Subsidiaries adopt, no later than 3 (three) months following the Closing Date, the compliance policy attached as **Exhibit A** to the SHA or a comparable compliance program and code of conduct acceptable to the Investor in its reasonable discretion (the "**Compliance Code**"). The Compliance Code shall include, and shall be updated to include, policies and procedures reasonably designed to ensure compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws, and Sanctions Laws and Regulations. In implementing the Compliance Code, the Company shall, and shall cause each Subsidiary and the directors, officers, employees, and agents of the Company and the Subsidiaries to follow the policies and procedures set forth in the Compliance Code, including (i) all training, education, and certification procedures, (ii) all due diligence procedures related to agents of the Company and the Subsidiaries, (iii) all audit and internal control procedures, (iv) adequate commitment of resources to ensure the capacity to carry out the programs required by the Compliance Code, and (v) appropriate procedures to ensure accurate books and records and other policies and procedures set forth in the Compliance Code. The Company shall cause a chief compliance officer to be appointed (who shall be a suitable and competent person with relevant knowledge of and experience with laws applicable to the Company) to carry out the compliance function of the Company, within a period of 30 (thirty) Business Days from the Closing Date. The Company shall cause disciplinary procedures to be enforced, and mechanisms for reporting suspected violations of policies, laws and regulations to be created.

21.2 Due Diligence on Subsidiaries: It is acknowledged : (a) that the Investor intends to conduct additional due diligence into the Company's operations outside of India, and that the Investor's due diligence activities will extend beyond the Execution Date; and (b) that the Investor may propose, and the Company and the Shareholders will adopt, abide by and (where applicable) execute, additional policies, enhancements and / or remedial actions designed to, in the Investor's reasonable opinion, ensure the Company's and its Subsidiaries' compliance with the Anti-Corruption Laws and the Sanctions Laws and Regulations. For the purposes of this clause, "remedial action" includes, without limitation, the Promoters and the Company taking all necessary action to cause the Company (or, if applicable, its Subsidiaries) to: (i) cease and desist any business activities (including exporting goods and services) that violate, or may violate, Sanctions Laws and Regulations; and (ii) terminate any contractual relationships, or other dealings or interactions, with third parties (including, without limitation, customers, suppliers, service providers, agents and Government Officials) that, in the Investor's reasonable opinion and after consultation with the Promoters, may cause the Company (or, if applicable, its Subsidiaries) to violate Anti-Corruption Laws.

22 INDEMNIFICATION

The Company and the Key Promoters shall jointly and severally indemnify, defend and hold harmless, the Investor, its Affiliates and its respective employees, officers, directors and agents (the "**Indemnified Parties**"), from and against, and pay or reimburse the relevant Indemnified Parties against: (i) any and all Losses (including reasonable attorneys' fees) arising out of or in connection with any breach of representations or warranties, covenants, undertakings and obligations as provided in these Articles or the SHA; and (ii) any penalty(ies) imposed on the Company, the Company Subsidiaries and/or any directors of such entities for any non-compliance or breach of Applicable Laws ("**Regulatory Penalty(ies)**") ((i) and (ii) being collectively referred to as the "**Indemnification Event(s)**"); and the Key Promoters shall be jointly and severally liable with the Company in respect of the indemnity obligations hereunder. The provisions of Clause 20 of the SHA shall, mutatis mutandis, apply to this Article 22, and shall be deemed to be incorporated by reference herein.

23 SPECIFIC COVENANTS

23.1 Taxes

All payments to be made by the Company or the Promoters to the Investor under the SHA shall be made net of applicable withholding Taxes, which shall be paid by and borne by the Company.

23.2 Insurance

23.2.1 The Company shall and the Promoters shall, at all times, cause the Company to obtain and maintain an adequate directors' liability insurance policy.

23.2.2 The Company shall, and the Promoters shall, at all times, cause the Company to, obtain and maintain adequate insurance cover (agreed to by the Investor) for the Assets and liabilities and for health and safety of employees and workmen of the Company and the Subsidiaries.

23.3 Intellectual Property Protection

The Company shall take all steps, reasonably required by the Investor, to protect its intellectual property rights, including without limitation registering those trademarks, brand names and copyrights as requested by the Investor. The Company and the Promoters shall cause the employees, officers and the Directors of the Company to enter into such agreements or undertakings from time to time for protecting its intellectual property rights, as may be reasonably requested by the Investor, within such time period as may be requested by the Investor.

23.4 Related Party Transactions

Subject to Article 9.4.2, all agreements and arrangements between the Company and any of the Related Parties shall be entered into on an arm's length basis or approved by the Board of Directors/the Shareholders (as may be applicable) with the written consent of the Investor Directors / Investor (as the case may be), and shall be subject to the other provisions of these Articles.

23.5 Downstream Investment & ODI

Any downstream investment or ODI made by the Company shall be strictly in accordance with Applicable Laws (including the FEMA Regulations) and shall only be made after obtaining the prior written consent of the Investor.

23.6 Usage of name of the Investor and/or the Investor Directors or the Investor Observers or their Affiliates

Neither the Company nor the Promoters nor any of their Affiliates shall, without the prior written consent of the Investor, use the name of the Investor or the Investor Director or the Investor Observers or any of their Affiliates for any marketing, promotional or other similar purposes.

23.7 Compliance with Applicable Laws

23.7.1 Each of the Promoters and the Company shall be in material compliance with Applicable Laws at all times and in all respects. The Promoters shall cause the Company to be in material compliance with Applicable Laws at all times and in all respects.

23.7.2 Without prejudice to the foregoing, the Company shall not, and the Promoters shall procure that the Company and each of its Subsidiaries shall not, engage in any activity which is not permitted under Applicable Laws.

23.8 Statutory Auditor and Internal Auditor

The Company shall, within 30 (thirty) days' of the Closing Date appoint the statutory auditor and the internal auditor of the Company who shall be anyone of the Big 4 Firms.

23.9 Social Impact Covenants

23.9.1 Statement of Principle: The Investor's investment in the Company is intended not only to achieve competitive financial returns for the Investor and to help the Company create value for its stakeholders but also to generate positive, sustainable and long term social benefits for farmers and their communities through the Company's milk procurement strategy, which provides a fair and reliable source of milk offtake directly to farmers, and the Company's "value-add" initiatives which, among other objectives, are designed to: (i) lower the farmers' raw material costs via offering bulk-feed purchasing

arrangements; (ii) provide farmers with: (a) close proximity to the Company's bulk milk collection centres; and (b) access to electronic milk analyzers to accurately and transparently verify the quality of raw milk being poured (or verify the quality of their milk); (iii) ensure the health and proper monitoring of the farmers' livestock by providing veterinary services; (iv) improve farming techniques and farmers' yields by offering training camps; and (v) facilitate access to credit for farmers and ensure accounts payable cycles are fair so farmers can manage their cash flow effectively (the "**Value-Added Services**"). The Value-Added Services are intended to provide meaningful, long-term benefits to both the Company and the farmers that supply raw milk directly to the Company.

23.9.2 The Company shall: (i) continue to source milk offtake directly from farmers in accordance with its existing milk procurement strategy (as in place at the date hereof) and, subject to the Adjustment Factors, at such levels which are no less than those set out in the table below ("**Offtake KPIs**"); (ii) use its reasonable commercial efforts to grow the absolute number, and relative percentage, of farmers that supply raw milk directly to the Company (as opposed to farmers that supply raw milk to the Company's agents); and (iii) within 10 (ten) Business Days of the end of each month and to the extent reasonably practicable, provide the Investor with an update on its milk procurement levels and if the Company is meeting its Offtake KPIs.

Aggregate Annual Offtake From Farmers Directly, or Indirectly (i.e., through agents)	75%
Number of Farmers Engaged	250,000

The Offtake KPIs shall be reviewed and recalibrated on a half-yearly basis or, if reasonably requested by the Investor, on a quarterly basis, as agreed between the Promoters and the Investor, within 30 (thirty) Business Days of the end of such half-year or quarter (as applicable) (each an "**Offtake KPI Adjustment**"). To the extent that the Offtake KPIs are not satisfied due to: (i) the Company's reasonable and bona fide response to market or financial conditions; (ii) a fall in milk supply from farmers or a fall in demand from consumers for the Company's milk products due to seasonal factors (including, without limitation, "flush" and "lean" seasons); or (iii) other factors outside the Company's reasonable control (the "**Adjustment Factors**"), the Company shall not be deemed to be in breach of this Article 23.9.2, provided that, at all times, the Company must act in good faith and in the spirit of the objectives set out in Article 23.9.1 (including, without limitation, the Statement of Principle).

23.9.3 The prices offered by the Company to farmers for raw milk offtake shall, at all times, be equal to, or higher than, the fair market value for raw milk that exists at the time of determination and as applicable to the specific geographic market in which the farmers operate (the "**FMV Condition**"). Any change to the prices offered to farmers by the Company shall be driven solely by market conditions, seasonal factors (including, without limitation, "flush" and "lean" seasons), supply and demand dynamics, and other economic factors outside of the Company's reasonable control (subject, at all times, to the FMV Condition) but, when calculating prices to be paid for raw milk offtake from farmers, the Company is entitled to have due and fair regard to: (i) its profitability levels / margins; (ii) other reasonable commercial and financial factors; and (iii) the best interests of the Company and its shareholders ("**Approved Pricing Exceptions**").

23.9.4 The Business Plan of the Company shall contain reasonably detailed provisions addressing the Company's milk procurement expansion strategy and pricing strategy for, and Value Added Services to be undertaken by the Company in, the Financial Year to which the Business Plan relates.

23.9.5 At each Board Meeting or as reasonably requested by the Investor, the Promoters shall (or shall procure that a member of the Company's senior management shall) provide the Investor with a reasonably detailed update on the Company's compliance with the covenants set out in this Article 23.9, including, without limitation: (i) providing detailed reporting on the Offtake KPIs so the Investor and Promoters can determine if an Offtake KPI Adjustment is required; (ii) disclosing current pricing offered by the Company to farmers for raw milk offtake and identifying how pricing has been calculated and why the Company believes pricing satisfies the FMV Condition (including performing a comparative analysis of prices offered to farmers by the Company's competitors); and (iii) reporting on the provision of Value Added Services and any other farmer-orientated initiatives the Company has launched or intends to implement.

24 CONSEQUENCES OF MATERIAL EVENT OF DEFAULT

24.1 In the event that the Company and / or any of the Promoters commit a Material Event of Default, in addition and without prejudice to the rights available with the Investor under Applicable Laws, equity or otherwise, the Investor shall be entitled, at its sole discretion, to exercise any or all of the following:

24.1.1 the right to Transfer its Securities without any obligation to comply with any of the Transfer restrictions under these Articles; and

24.1.2 the right to issue a Notice to the Company and the Promoters, requiring the Company and the Promoters to consummate an exit transaction before the expiry of the Exit Period ("**Accelerated Exit**"). It is clarified that the provisions of the Exit Articles shall be applicable *mutatis-mutandis* in the event of an Accelerated Exit. Until such Accelerated Exit is provided, the Investor shall be entitled to seek injunctive relief or restraining orders to ensure discontinuation of the Material Event of Default.

24.1.3 Put Option:

(a) Subject to Applicable Law, the Investor shall have the right (but not obligation) to require one or more of the Promoters ("**Put Obligors**") to purchase and / or cause the purchase from the Investor of all, or a portion, of the Securities then held by it ("**Put Option**") at a price which shall be equal to the Fair Market Value of the Put Shares (*defined below*) to be Transferred pursuant to the Put Option (and otherwise proportionally adjusted for stock splits, stock dividends, recapitalizations of the Put Shares) ("**Put Option Price**"). The Company and the Promoters shall (i) provide the Investor Approved Valuer with information, documents and materials as required by it in order to calculate the Fair Market Value; and (ii) make reasonable efforts to secure funding for the Company from a Third Party in the event that the Put Obligors have insufficient cash to complete the Put Option as contemplated hereunder.

(b) The Investor may exercise the Put Option in one or more tranches, by way of issuing a written notice to the Put Obligors (each such notice a "**Put Notice**"). The Put Notice shall also set out the Put Option Price and the Put Option Closing Date (*defined below*).

(c) Upon issuance of the Put Notice by the Investor to the Put Obligors, the Put Obligors shall be under an obligation to purchase all (and not some) of the Securities stipulated by the Investor in the Put Notice ("**Put Shares**") from the Investor at the Put Option Price. The closing / consummation of the purchase of the Put Shares from the Investor by the Put Obligors shall take place on the Business Day falling on the 30th (thirtieth) day from the date of the Put Notice or such earlier date as may be notified by the Put Obligors to the Put Option Holder ("**Put Option Closing Date**").

(d) Upon the Investor issuing the Put Notice (to the Put Obligors), the Company and the Put Obligors shall undertake all necessary actions and provide all necessary assistance that may be required to consummate the Put Option.

(e) The Investor shall not be required to provide any representations or warranties in relation to the Transfer of the Put Shares under the Put Option except representations and warranties that it has (a) not created any Encumbrances on the Put Shares, other than in compliance with the provisions of the SHA and / or these Articles; and (b) all necessary power and authority and has taken all necessary actions to authorise the sale of the Put Shares to the Put Obligor in the manner contemplated in this Article 24.1.3.

(f) The Company, the Promoter and the Investor shall do all such acts and deeds as may be required to complete the Transfer of the Put Shares pursuant to the exercise of the Put Option, including (a) making of all requisite filings as may be required by Applicable Law; and (b) with respect to each of the Put Obligors, the sale or other disposition of Securities and / or the incurrence of financial indebtedness or otherwise to raise cash sufficient to pay the Put Option Price in the event the Put Obligors have insufficient cash to complete the Put Option as contemplated hereunder.

(g) Without prejudice to anything else in this to Article 24.1.3, the Investor shall have the right to revoke the Put Notice at any time whatsoever and for any reasons whatsoever. It is, however, clarified that the revocation of a Put Notice by the Investor shall not prejudice the Investor's right to issue subsequent Put Notices in accordance with this Article 24.1.3.

(h) Each of the Put Obligors shall procure all Approvals, consents, permits and other authorizations from the Governmental Authorities, if any, as may be necessary for giving effect to the Transfer of Put Shares by the Investor to the Put Obligors and payment of the Put Option Price by the Put Obligors to the Investor in consideration for such Transfer. The Investor shall provide all necessary cooperation to enable the Put Obligors to procure such Approvals, consents, permits and other authorizations.

(i) All costs and expenses payable (including payments towards stamp duties) in relation to the transfer of Put Shares under these Articles, shall be borne by the Put Obligors.

24.1.4 Default Buyback:

The Investor shall be entitled to request the Company to initiate a buyback of all, or a portion, of the Investor's Securities ("**Default Buyback**"), and the procedure set forth in Article 17 relating to a Buyback shall *mutatis mutandis* apply to a

Default Buyback, save and except that the Fair Market Value of the Investor's Securities shall be determined solely by an Investor Approved Valuer, and the Company and the Promoters shall (i) provide the Investor Approved Valuer with information, documents and materials as be required by it in order to calculate the Fair Market Value; and (ii) make reasonable efforts to secure funding for the Company from a Third Party in the event that the Company has insufficient cash to complete the Buyback as contemplated hereunder. For the avoidance of any doubt, it is hereby clarified that the right of the Investor to require the Company to initiate the "Company Buyback" or "Default buyback" as the case may be, is at the sole discretion of the company and the Company is not obligated to initiate "Company Buyback "or "Default buyback" if they don't intend to, for reason whatsoever.

24.2 In the event that any of the Accelerated Exit, Put Option, or Default Buyback under the aforementioned Articles 24.1.2, 24.1.3 and/or 24.1.4 are not undertaken by the Promoters and/or the Company (as applicable) for any reason whatsoever, the Investor shall have the right to require, the Transfer of such amount of Securities (as elected by the Investor) held directly or indirectly by the Promoters (and / or any Affiliates to whom the Promoters have transferred their Securities in accordance with these Articles) which would represent up to 13% (thirteen percent) of the Share Capital of the Company on the date of such Transfer ("**Default Securities**") to the Investor and/or any Person nominated by the Investor ("**Investor Nominee**"), and subject to, and in conformity with, Applicable Law at a price per Default Security, as notified by the Investor, at its sole discretion, to the Promoters, and the following provisions shall be applicable to such Transfer of the Default Securities:

(a) The Promoters shall do all acts, deeds and things necessary to give effect to the Transfer of the Default Securities to the Investor Nominee, including providing any warranties, representations, indemnities, covenants or other assurances in relation to the Transfer of the Default Securities and the Company as may be required by the Investor.

(b) At the closing of the Transfer of the Default Securities, the Promoters shall deliver duly executed transfer instructions to the relevant depository participant in respect of the Default Securities proposed to be Transferred (as well as share certificates in respect of such Default Securities), and the Promoters shall ensure that such Default Securities shall be Transferred with clear title and free and clear of any Encumbrances. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the Transfer of the Default Securities to the Investor Nominee.

(c) Any costs and transaction expenses incurred in connection with Transfer of the Default Securities in accordance with this Article 24.2 shall be payable by the Company.

(d) For the avoidance of doubt, it is clarified that if the Investor has exercised its rights under this Article 24, and the Default Securities have been duly Transferred to the Investor in accordance with the provisions of this Article 24.2, the Investor shall not be permitted to subsequently exercise a right under this Article 24 on account of any subsequent Material Event of Default.

24.3 Notwithstanding anything to the contrary, (a) the restrictions on Transfer of Securities set out in Article 5 above shall not apply to Article 24.1.3, Article 24.1.4 and Article 24.2; and (b) 'Fair Market Value' of the Company and the Securities for the purposes of this Article 24 shall mean the fair value of the Securities determined by an Approved Valuer nominated by the Investor.

24.4 In the event that there is any breach of the provisions of Article 9.4.2 with respect to the Affirmative Vote Item set out at paragraph (ff) of the definition of "Affirmative Vote Items" under Article 1.1 (or the corresponding Critical Affirmative Vote Item, as applicable), the Investor shall be entitled to the rights specified in Article 24.1.2.

25 FALL AWAY OF RIGHTS

25.1 Subject to Article 5.4.4, if the Shareholding Percentage of the Investor along with its Affiliates is:

(a) 10% (ten percent) or above, the Investor shall continue to have all the rights under these Articles, including the right to (i) nominate two Directors to the Board; and (ii) exercise affirmative voting rights in respect of the Affirmative Vote Items;

(b) 5% (five percent) or above but less than 10% (ten percent), the Investor shall have the right to nominate only one Director to the Board and the right to exercise affirmative voting rights only in respect of the Critical Affirmative Vote Items, but shall continue to have all other rights under these Articles. Provided that, the provisions of this Article 25.1(b) shall not be applicable where the Shareholding Percentage of the Investor along with its Affiliates is reduced to less than 10% (ten percent) pursuant to any Buyback under Article 17 or any Default Buyback under Article 24.1.4; and

(c) Less than 5% (five percent), the Investor shall not have the right to nominate any Directors to the Board or exercise any affirmative voting rights in respect of the Affirmative Vote Items or have any rights under the Exit Articles, but shall continue to have all other rights under these Articles.

26 **BOOKS AND DOCUMENTS**

26.1 The Board shall cause true accounts to be kept of all sums of money received and expended by the company and the matters in respect of which such receipts and expenditure takes place of all sales and purchases of goods by the Company and of the assets, credits and liabilities of the Company.

26.2 If the Company shall have a branch office, whether in or outside proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns, made up to date at intervals of not more than three months, shall be sent by the branch office to the Company at its registered office or to such other place in India, as the Board think fit, where the main books of the Company are kept.

26.3 All the aforesaid books shall give a fair and true view of the affairs of the company or of its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions.

26.4 The books of account shall be kept the registered office or at such other place in India as the Board may think fit.

26.5 A copy of every balance sheet including the profit and loss A/C, the auditor's report and every other documents required by law to be annexed or attached, as the case may be, to the balance sheet which is to be laid before the Company in general meeting, shall be made available for inspection at the registered office of the Company during working hours for a period of twenty-one days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid shall be sent to every member of the Company, not less than twenty-one days before the date of the meeting.

26.6 Subject to the provisions of Section 129 of the Act every balance sheet and profit and loss account of the Company share be in the forms, set out in Parts 1 and 2 respectively of Schedule 6 of the Act, and in the consonance with the mandatory accounting standards prescribed or as near thereto as the circumstances admit.

26.7 So long as the Company is a holding company having a subsidiary the Company shall conform to Section 129 of the Act and other applicable provisions of the Act.

26.8 The balance sheet and the profit and loss account shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.

26.9 The profit and loss account shall be annexed to the balance sheet and the auditor's report shall be attached thereto.

26.10 Every balance sheet laid before the Company in annual general meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any.

26.11 The report by the Board shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, carried on by them and generally in the classes of business in which the company has an interest.

26.12 The report by the Board shall also include statements as required under Section 134 of the Act.

26.13 The Board shall also give the fullest information and explanations in its report in cases falling under the provision to Section 129 of the Act in an addendum to its report, on every reservation, qualification or adverse remarks contained in the auditor's report.

26.14 The Board's report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board: and where he is not so authorized shall be signed by such number of Directors as are required to sign the balance sheet and profit and loss account of the Company by virtue of these Articles and the Act.

27 **AUDIT**

27.1 Subject to the provisions of these Articles, once at least in every year the books of accounts of the Company shall be examined and audited by one or more auditor or auditors.

27.2 Where the Company has a branch office, the provision of section 143 of the Act shall apply.

27.3 The Auditors' Report shall be read before the Company in Annual General Meeting and shall be open to inspection for any Member.

28 WINDING UP

28.1 Subject to the provisions of the Act as to preferential payments and Article 6, the assets of the Company shall on its winding up, by applied in satisfaction of its liabilities *pari passu* and subject to such application shall be distributed among the Shareholders according to their rights and interests in the Company.

28.2 Subject to Article 6, if the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or an of them, as the liquidators with the like sanction shall think fit, in case any shares to be divided as aforesaid involve a liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

29 SERVICE OF NOTICE AND DOCUMENTS

29.1 The Company shall comply with the provisions of Section 20, 101 and 115 of the Act as to the service of notices.

29.2 If a Member has specified that it may be contacted through electronic mail or facsimile transmission, then the Company may contact such Member at the specified address or number, provided that such a communication is sent to the Member at an address specified by it, through a reputed courier company on the same or next Business Day.

29.3 Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which previous to his name and address being entered in the register, shall have been duly given to the person from whom he derives his title to such share.

29.4 The signature to any notice to be given by the Company may be written, printed or lithographed.

29.5 Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member then deceased and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share whether registered solely or jointly with other persons, until some other person be registered in his stead as the member in respect thereof and such service for all purposes of these Articles be deemed a sufficient service of such notice or document on his/her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

30 MISCELLANEOUS

30.1 Severability

Any provision of these Articles which is invalid or unenforceable, shall be ineffective to the extent of such invalidity or unenforceability, without affecting in any way the applicability of the remaining provisions hereof. In the event any provision of these Articles is invalid or unenforceable, reasonable efforts shall be made to mutually discuss and arrive at a provision which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision.

30.2 Assignment

The Company, the Promoters or the Investor shall not be entitled to, nor shall they purport to, assign, transfer, charge or otherwise deal with all or any of its rights or obligations under these Articles or the SHA, nor grant, declare, create or dispose of any right or interest in it, in whole or in part, provided that without prejudice to the rights of the Investor under these Articles or the SHA, the Investor or its Affiliates shall be entitled to assign any or all of its rights (including the representations, warranties and indemnities extended to the Investor under the SHA and these Articles) or transfer any or all of its obligations hereunder to any of its Affiliates freely (with or without Transfer of any Securities) and to any other Person, in connection with the transfer of its Securities, in accordance with the conditions contemplated in Article 5.4.

30.3 Specific Performance

Damages may not be an adequate remedy and the Company, the Promoters or the Investor may be entitled to an injunction, restraining order, right for recovery, specific performance or other equitable relief to restrain any breach or enforce the

performance of the covenants, representations, warranties and obligations contained in these Articles. These injunctive remedies are cumulative and are in addition to any other rights and remedies that the Company, Investor and Promoters may have at law or in equity, including without limitation a right for damages.

30.4 **Authorised Representative**

30.4.1 The rights of the Promoters and their Affiliates under these Articles may only be exercised through and at the direction of one of the Promoters, who shall be the agent, authorised representative and attorney of all the Promoters (the "**Authorised Representative**"). Further, the Authorised Representative shall be entitled to and have the power to agree and execute any amendments to the provisions of these Articles and the SHA, give and receive notices and communications, agree to negotiate, enter into settlements and compromises, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to the SHA and / or these Articles and take all actions necessary, expedient or appropriate in the judgement of such Promoter to achieve the foregoing, for and on behalf of all the Promoters. Each and every receipt, document, deed, matter and thing which shall be made, done or executed by the Authorised Representative pursuant to this Article 30.5.1, shall be valid and effectual to all intents whatsoever as if the same has been done by such Promoter in its own proper person.

30.4.2 As of the date of these Articles, the Promoters have irrevocably appointed Promoter 1 as the Authorised Representative and if Promoter 1 is unable to act as the Authorised Representative due to any reason whatsoever, then Promoter 2 shall be the Authorised Representative for the purposes of these Articles.

30.4.3 Any purported exercise by a Promoter of any right under these Articles which is not approved by or undertaken at the direction of the Authorised Representative shall be deemed to be ineffective and disregarded. Each of the Promoters shall be deemed to have appointed the Authorised Representative as his or her attorney with full power to exercise the rights of the Promoter under these Articles. Any action taken or document executed by the Authorised Representative shall be deemed to be acts done or documents executed by the Promoters and shall be binding on the Promoters and the Company and the Investor shall be entitled to rely and act upon the same.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be delivered to the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such documents executed after the Bid/ Offer Closing Date).

A. Material Contracts for the Offer

1. Offer Agreement dated August 9, 2018 among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated August 7, 2018 among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s) and the Refund Bank(s).
4. Share Escrow Agreement dated [●] among the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] among our Company, the Selling Shareholders and the Underwriters.
7. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. **Other Material Contracts in relation to our Company**

1. Shareholders Agreement dated May 2, 2017 entered into between our Company, Listed Persons and TDDHPL as amended by amendment agreement executed on July 12, 2017 between our Company, Listed persons and TDDHPL and second amendment agreement dated July 13, 2018.
2. Share Purchase Agreement dated May 2, 2017 between our Company, TDDHPL, and Dodla Sunil Reddy, Dodla Sesha Reddy, Dodla Subba Reddy, Dodla Girija Reddy, Dodla Deepa Reddy, D Padmavathamma as amended by the first amendment agreement dated July 3, 2017
3. Share Purchase Agreement dated May 2, 2017 between our Company, TDDHPL and Black River Capital Partners Food Fund Holding (Singapore) Pte. Ltd.
4. Shareholders Agreement among Indira Gandhi Centre for Advanced Research on Livestock Private Limited, International Media and Cultures, our Company and GVC dated August 26, 2009
5. Collaboration Agreement dated January 10, 2009 among our Company, International Media and Cultures and Indira Gandhi Centre for Advanced Research on Livestock Private Limited
6. Dairy Project Development Agreement dated April 1, 2014 among our Company and GVC
7. Managing Director appointment agreement dated July 3, 2017 as amended by the employment amendment agreement dated May 4, 2018
8. Whole-time Director employment agreement dated May 4, 2018
9. Memorandum of Understanding entered into in 2014 with Hillside Dairy and Agriculture Limited and a a business transfer agreement dated July 30, 2014

C. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated May 15, 1995 issued by the Registrar of Companies, Andhra Pradesh at Hyderabad to our Company, in the name of Dodla Dairy Limited.

3. Certificate of commencement of business dated May 23, 1995 Andhra Pradesh at Hyderabad to our Company

4. Resolutions of the Board of Directors dated July 13, 2018, in relation to the Offer and other related matters.

5. Shareholders' resolution dated July 17, 2018, in relation to this Offer and other related matters.

6. Resolution by the board of directors of Investor Selling Shareholder dated July 24, 2018 authorising the Offer for Sale.

7. Dodla Dairy Limited Employees Stock Option Plan 2018.

8. Copies of the annual reports of our Company for the Fiscals 2018, 2017, 2016, 2015 and 2014.

9. CRISIL consent letter dated July 26, 2018.

10. CRISIL Report dated August 3, 2018.

11. The examination report of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus and consent from auditors for inclusion of financials.

12. The statement of special tax benefits dated July 20, 2018 from the Statutory Auditors.

13. Chartered engineer consent dated August 2, 2018

14. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Legal Counsel to the BRLMs as to Indian Law, Legal Counsel to the Investor Selling Shareholder, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Monitoring Agency, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

15. Consent letter dated August 3, 2018 issued by the Investor Selling Shareholder consenting to the inclusion of its portion of the Equity Shares in the Offer for Sale.

16. Consent letter dated August 4, 2018 issued by the Individual Selling Shareholder consenting to the inclusion of her portion of the Equity Shares in the Offer for Sale.

17. Due Diligence Certificate dated August 9, 2018, addressed to SEBI from the BRLMs.

18. In principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

19. Tripartite agreement dated October 18, 2012, between our Company, NSDL and the Registrar to the Offer.

20. Tripartite agreement dated May 4, 2018, between our Company, CDSL and the Registrar to the Offer.

21. SEBI observation letter dated [●].

22. Board resolution dated December 17, 2015 and shareholders' resolution dated January 11, 2016, for the payment of a consultancy fee for a period of five years from January 11, 2016 to our Chairman, Dodla Sesha Reddy

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and that no statement or undertaking in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, SCRR, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Dodla Sesha Reddy *(Chairman and Non-Executive Director)*	
Dodla Sunil Reddy *(Managing Director)*	
Madhusudhana Reddy Ambavaram (*Whole-Time Director*)	
Akshay Tanna *(Non- Executive Nominee Director)*	
Kishore Mirchandani *(Independent Director)*	
Ponnavolu Divya (*Independent Director*)	
Rampraveen Swaminathan (*Independent Director*)	
Raman Tallam Puranam (*Independent Director*)	

SIGNED BY CHIEF FINANCIAL OFFICER

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Hemanth Kundavaram

Place: Hyderabad
Date: August 9, 2018

DECLARATION BY THE INVESTOR SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by such Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself in connection with the Offer for Sale, and the Equity Shares being offered by it pursuant to the Offer for Sale are true and correct. The Selling Shareholder assumes no responsibility for any other statement, including statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED FOR AND BEHALF OF TPG DODLA DAIRY HOLDINGS PTE. LTD.

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Name: Francis Woo

Designation: Director

Date: August 9, 2018

Place: Singapore

DECLARATION BY THE INDIVIDUAL SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements/disclosures and undertakings made by such Selling Shareholder in this Draft Red Herring Prospectus about or in relation to herself in connection with the Offer for Sale, and the Equity Shares being offered by her pursuant to the Offer for Sale are true and correct.

SIGNED BY THE SELLING SHAREHOLDER

DODLA DEEPA REDDY

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Date: August 9, 2018

Place: Hyderabad