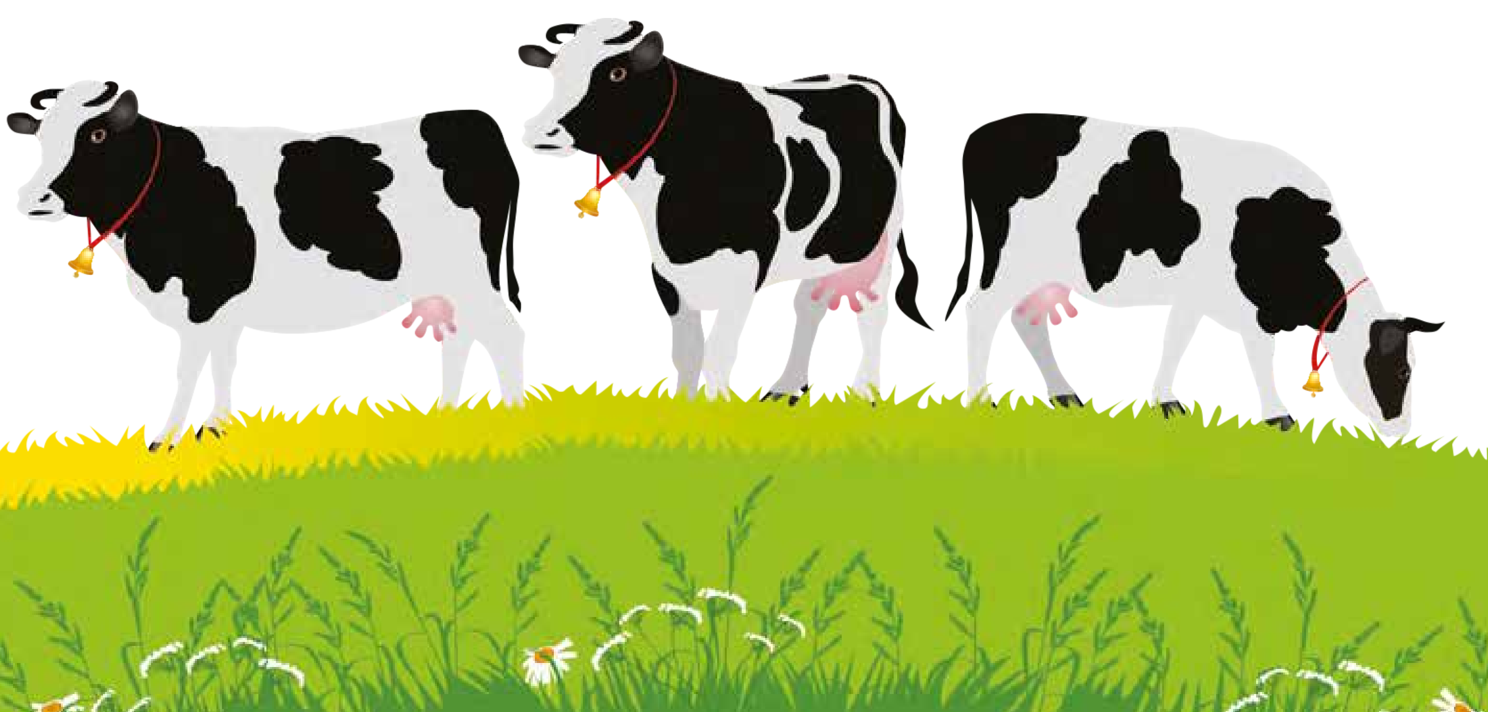
Godrej

Jersey

ANNUAL REPORT 2020-21



Contents

NOTICE

NOTICE is hereby given that the **34th ANNUAL GENERAL MEETING** of the Members of **CREAMLINE DAIRY PRODUCTS LIMITED** ("the Company") will be held on **Monday, 2nd August, 2021 at 5.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")**, to transact the following business:

ORDINARY BUSINESS:

1. **Adoption of Financial Statements:**

   To consider and adopt the Audited Financial Statements for the Financial Year ended 31st March, 2021, the Report of the Board of Directors and the Report of the Statutory Auditors thereon.

2. **Re-appointment of Mr. Nadir Burjor Godrej, Director retiring by rotation:**

   To appoint a Director in place of Mr. Nadir Burjor Godrej [Director Identification Number (DIN): 00066195], who retires by rotation and being eligible, offers himself for re-appointment.

   The Shareholders are requested to consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION: -**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Nadir Burjor Godrej [Director Identification Number (DIN): 00066195] as a "Director", who shall be liable to retire by rotation."

3. **Re-appointment of Mr. Balram Singh Yadav, Director retiring by rotation:**

   To appoint a Director in place of Mr. Balram Singh Yadav [Director Identification Number (DIN): 00294803], who retires by rotation and being eligible, offers himself for re-appointment.

   The Shareholders are requested to consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Balram Singh Yadav [Director Identification Number (DIN): 00294803] as a "Director", who shall be liable to retire by rotation."

4. **Declaration of Final Dividend on Equity Shares:**

   To approve Final Dividend @ 20% (Twenty per cent), i.e., ₹2/- (Rupees Two Only) per Equity Share of Face Value of ₹10/- (Rupees Ten Only) each, for the Financial Year 2020-21.

SPECIAL BUSINESS:

5. **To ratify the remuneration payable to M/s. S. R. and Associates, Cost Accountants and the Cost Auditors of the Company for the Financial Year 2021-22:**

   To consider and if thought fit, to pass the following as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. S. R. and Associates, Cost Accountants (Firm Regn. No. 0540) [represented by Mr. K.S.V. Subba Rao (Membership No.: 20548), Partner], which has been appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2021-22, amounting to ₹ 85,000/- (Rupees Eighty Five Thousand Only) plus Goods and Service Tax (GST) as applicable and re- imbursement of out-of-pocket expenses incurred by them in connection with the aforesaid audit at actuals, be and is hereby confirmed and approved."

6. Appointment of Mr. Bhupendra Suri, "Additional Director" as a "Whole-Time " Director of the Company:

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 178, 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Shareholders of the Company be and is hereby accorded for the appointment of Mr. Bhupendra Suri [Director Identification Number (DIN): 00014291] as the "Whole- Time Director" of the Company for a period of 3 (Three) years with effect from 28th January, 2021 upto 27th January, 2024."

"RESOLVED FURTHER THAT the details of salary and perquisites for the period from 28th January, 2021 to 27th January, 2022, as set out as per the terms and conditions mentioned in the draft Agreement to be executed with Mr. Bhupendra Suri, shall be as follows:-

1) Basic Salary: In the range of ₹ 5,46,667/- to ₹ 6,50,000/- per month;

2) Personal pay: In the range of ₹ 4,76,118 /- to ₹ 5,71,000/- per month;

3) House Rent Allowance: @ 40% of Basic Salary - In the range of ₹ 2,18,667/- to ₹ 2,60,000/- per month;

"RESOLVED FURTHER THAT the other terms and conditions of remuneration shall be as follows:-

a. Company's contributions towards Provident Fund, Superannuation Fund or Annuity Fund as per the Rules framed under the Company's relevant Scheme. These shall be subject to a ceiling of the amount up to which the said contributions are either singly or put together not taxable, under the Income Tax Act, 1961 and the Rules, 1962. The current contribution to Provident Fund is 12% of Basic Salary (which works out in the range of ₹ 65,600/- per month to ₹ 78,000/- per month).

b. Gratuity shall be payable according to the Rules of the Company, in the range of ₹ 26,282/- per month, to ₹ 31,250/- per month. If the Whole Time Director is re-appointed, Gratuity will be paid at the end of the tenure with the Company.

c. Performance Linked Variable Remuneration (PLVR) Collective in the range ₹ 45,00,000/- to ₹ 54,00,000/- annually shall be paid according to the Scheme of the Company for each year of the tenure of the Whole Time Director as may be decided by the Board of Directors and/or the Nomination and Remuneration Committee, based on Economic Value Added (EVA) in the business and other relevant factors and having regard to the performance of the Whole Time Director.

d. Employee stock grants in the range ₹20,00,000/- to ₹24,00,000/- annually shall be paid according to Scheme of the Company for each year of the tenure of the Whole Time Director.

e. Leave shall be as per the Rules of the Company, as may be amended or modified from time to time. Encashment of leave will be permissible in accordance with the Rules specified by the Company from time to time."

"RESOLVED FURTHER THAT where during the four Financial Years 2020-21, 2021-22, 2022-23 and 2023-24, if the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of salary and perquisites and allowances as specified above, subject to compliance with the applicable provisions of Schedule V to the Act, AND THAT such remuneration shall be treated as the minimum remuneration payable to Mr. Bhupendra Suri in the absence or inadequacy of profits, in accordance with the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)."

"RESOLVED FURTHER THAT the Board of Directors and/or the Nomination and Remuneration Committee be and is hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT a copy of the foregoing resolution certified to be true by any Director of the Company or the Company Secretary be submitted to the concerned person(s) / authority(ies) and they be requested to act thereon."

7. Re-appointment of Mr. Jude Fernandes as Non-Executive, Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, approval of the Members be and is hereby granted for re-appointment of Mr. Jude Fernandes [Director Identification Number (DIN): 07482333] (who has held office of Independent Director upto 10th April, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying his intention to propose Mr. Jude Fernandes's candidature for the office of Director) be and is hereby re-appointed as an "Independent Director" of the Company, not liable to retire by rotation, for a second term of 5 (Five) consecutive years commencing from 11th April, 2021 upto 10th April, 2026."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. Appointment of Mr. Kannan Sitaram, "Non-Executive, Independent Director" of the Company:

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and such other Rules framed under the Act, as may be applicable [including any statutory modification(s), amendment(s) or re- enactment(s) thereof, for the time being in force], Mr. Kannan Sitaram [Director Identification Number (DIN): 01038711], who was appointed by the Board of Directors as an "Additional Director" to hold office of "Non-Executive, Independent Director" of the Company with effect from 22nd April, 2021, in terms of Section 161(1) of the Act and who meets the criteria for Independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and who has submitted a declaration to that effect, be and is hereby appointed as an "Independent Director" of the Company not liable to retire by rotation, for a period of 5 (Five) years from 22nd April, 2021 up to 21st April, 2026."

"RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto."

By Order of the Board
For **Creamline Dairy Products Limited**

Sd/-
Neha Poojary
Company Secretary

Date: 3rd May, 2021
Place: Mumbai

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs has, vide its Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020 (collectively referred to as "MCA Circulars"), and General Circular No. 02/2021 dated 13th January , 2021 permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act") and MCA Circulars, the 34th (Thirty-Fourth) AGM of the Company is being held through VC / OAVM.

   In accordance with the aforementioned circulars and pursuant to General Circular No. 02/2021 dated 13th January, 2021, providing clarification/extension for holding AGM in 2021 through Video Conferencing or other Audio and Visual Means (the said circulars of MCA), the 34th AGM of the Company shall be conducted through VC / OAVM.

2. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') with respect to Item No. 5 to Item No. 8 forms part of this Notice. Further, brief profile of Directors seeking appointment or re-appointment at this Annual General Meeting ('Meeting' or 'AGM'), is furnished as an annexure to the Notice, pursuant to Secretarial Standard – 2 on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

3. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. Corporate Shareholders intending to appoint their Authorized Representative(s) to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company before the AGM, an original / scanned certified true copy of the Board Resolution with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend and vote on their behalf at the AGM.

5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. Any request for inspection of the Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act and Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Act, may please be sent to neha.poojary@godrejcdpl.com.

8. All the documents in connection with the accompanying Notice and Explanatory Statement are available for inspection through electronic mode on the basis of request being sent on neha.poojary@godrejcdpl.com.

9. In accordance with, the General Circular No. 02/2021 dated 13th January , 2021 read with General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (MCA), the Financial Statements of the Company for the Financial Year ended March 31, 2021, including Report of Board of Directors, Statutory Auditors' Report or other documents required to be attached therewith and the Notice of AGM are being sent through electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s) or to XLSoftech Systems Limited, Registrar and Share Transfer Agent of the Company.

10. Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), bank details including change in bank account number, IFSC Code, MICR Code, name of bank and branch details, to their Depository Participant(s) (DPs) in case the shares are held by them in electronic form and to XLSoftech Systems Limited, Registrar and Share Transfer Agent of the Company, in case the shares are held by them in physical form.

11. Shareholders may also note that the Notice of AGM and the Annual Report for the Financial Year 2020-21 will be available on the Company's website www.creamlinedairy.com.

12. The Final Dividend for the Financial Year 2020-21, as recommended by the Board of Directors, if declared at the AGM, would be paid / credited subject to deduction of tax at source, to those Shareholders or their mandates:- (a) whose names appear as Beneficial Owners as at the end of the business hours on Friday, 23rd July, 2021, in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and (b) whose names appear as Shareholders in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company or XLSoftech Systems Limited, Registrar and Share Transfer Agent of the Company on or before Friday, 23rd July, 2021.

13. Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed / unpaid for a period of 7 (seven) years and/or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).

14. Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall, therefore, be required to deduct Tax at Source (TDS) at the time of making payment of Final Dividend, if declared by the Shareholders. In order to enable the Company to determine the appropriate TDS rate as applicable,

Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

a) For Resident Shareholders, TDS shall be deducted under Section 194 of the Income Tax Act, 1961 at rate in force on the amount of Dividend declared and paid by the Company during Financial Year 2021-22, provided Permanent Account Number (PAN) is registered by the Shareholder. If PAN is not registered or if they are specified person (non-filers) as per Section 206AB of the Income Tax Act, 1961, TDS would be deducted at rate in force (at present 20%) as per the provisions of the Income Tax Act, 1961 and/or Rules framed thereunder. However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by such resident individual during the Financial Year 2021-22 does not exceed ₹5,000/-. Please note that this includes future dividends, if any, which may be declared by the Company during the Financial Year 2021-22. Separately, in cases where a Shareholder provides Form 15G (applicable to any resident person other than a company or a firm) / Form 15H (applicable to a resident individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

b) For Mutual Fund Shareholders, TDS is exempt under Section 10(23D), provided Mutual Funds provide SEBI Registration / Central Board of Direct Taxes (CBDT) notification and a declaration that their income is exempt under Section 10(23D) of the Income Tax Act, 1961.

c) For Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the Income Tax Act, 1961, at applicable rate, including surcharge and cess.

d) For Other Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961, at the rates in force. However, as per Section 90 of the Income Tax Act, 1961, the Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the Shareholder, if they are more beneficial to them. For this purpose, i.e., to avail the Tax Treaty benefits, the Non-Resident Shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Shareholder is resident;
- Self-declaration in Form 10F;
- Self-attested copy of the Permanent Account Number (PAN) Card allotted by the Indian Income Tax authorities;
- Self-declaration, certifying the following points: i) Member is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22; ii) Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company; iii) Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner; iv) Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and v) Member does not have a taxable presence or a permanent establishment in India during the Financial Year 2020-21.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident Shareholder. Shareholders may make an online submission of Form 15G / 15H and Form 10F, along with the requisite supporting documents as mentioned above, as applicable, to the Company at neha.poojary@godrejcdpl.com on or before Monday, 2nd August, 2021. It may please be noted that forms received after the said date and incomplete or incorrect forms shall not be considered and shall not be eligible for non-deduction or lower deduction of tax. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from a Shareholder, there would still be an option available with such Shareholder to file the return of income and claim an appropriate refund, if eligible. The Company shall arrange to e-mail the soft copy of TDS certificate to a Shareholder on its registered email ID or alternatively, send it to the Shareholder at the registered address, in due course, post payment of the said Dividend.

15. Shareholders may please note that their dividend would be paid into their bank account through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) or National Electronic Fund Transfer (NEFT), as per the mandate given by the Shareholders to their Depository Participant(s) or to the Company. For Shareholders who have not updated their bank account details, Demand Drafts will be sent to their registered addresses subject to / upon normalization of the postal services.

16. Shareholders can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with the Rules made thereunder. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Registrar and Transfer Agent. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

17. Shareholders are requested to send in their queries at least a week in advance to Ms. Neha Poojary, Company Secretary at neha.poojary@godrejcdpl.com to facilitate clarifications during the AGM.

18. Members who would like to express their views or ask questions during the AGM, are requested to contact. Ms. Neha Poojary at neha.poojary@godrejcdpl.com

    The link for joining the Meeting: https://teams.microsoft.com/l/meetup-join/19%3ameeting_YmIxNTIwOWYtZDE1Ni00NDllLWE5ODktOTcwNGY5MjRkNDMx%40thread.v2/0?context=%7b%22Tid%22%3a%22bfa3dfb0-91d5-4bf7-9a0c-fbf6ff337187%22%2c%22Oid%22%3a%227bd0c54d-b499-4615-b8a8-f20e68147366%22%7d

19. For the purpose of Para 1.2.4 of the Secretarial Standards on General Meeting (SS-2) read with the Clarification/ Guidance on applicability thereof dated 15th April, 2020, issued by the Institute of Company Secretaries of India, The venue of the AGM shall be deemed to be the Registered Office of the Company at No. D-6-3-1238/B/21 Asif Avenue, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082.

20. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020, MCA Circular No. 02/2021 dated 13th January, 2021.

21. Manner of voting during the 34th AGM shall be show of hands unless poll is demanded.

22. All Members who join the AGM through VC/OAVM shall be eligible to vote on all the business items, unless interested.

23. The Chairperson of the 34th AGM shall be appointed in accordance with Section 104 of the Act.

    (A) INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:

    a) The facility of participation at the AGM through VC/OAVM will be made available for all the Members of the Company.

    b) Members are encouraged to join the Meeting through Laptops for better experience.

    c) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

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

    e) Members who need assistance before or during the AGM, can contact Ms. Neha Poojary, Company Secretary at neha.poojary@godrejcdpl.com.

    INSTRUCTIONS FOR VOTING BY POLL

    - Poll will take place by way of email.
    - During the Meeting, where a poll on any item is required, the Members shall cast their vote on the resolutions only by sending emails through their email addresses which are registered with the company.
    - The said e-mails shall only be sent to neha.poojary@godrejcdpl.com. The Chairman shall regulate the process of poll through email.

- The Company shall maintain the confidentiality of the password and other privacy issues associated with the designated email address at all times.
- Due safeguards with regard to authenticity of email address(es) and other details of the Members shall also be taken by the Company.
- In case the counting of votes requires time, the said meeting shall be adjourned and called later to declare the result.

By Order of the Board
For **Creamline Dairy Products Limited**

Sd/-
Neha Poojary
Company Secretary

Date: 3rd May, 2021
Place: Mumbai

ANNEXURE TO THE NOTICE

BRIEF RESUME OF THE DIRECTOR(S) SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 34th AGM OF THE COMPANY, IN PURSUANCE OF COMPANIES ACT, 2013.

Name of the Director	Mr. Nadir B. Godrej
Director Identification Number (DIN)	00066195
Date of Birth	26/08/1951
Age (in Years)	69 Years
Nationality	Indian
Date of Appointment	07/01/2016
Qualification	Master of Science degree in Chemical Engineering from Stanford University and MBA from Harvard Business School
Nature of expertise in specific functional areas	• Strategy & Business • Industry & Market Expertise • Technology Perspective • Governance, Finance & Risk
Number of Board Meetings attended during the Financial Year 2020- 2021	5 out of 5
No. of shares held by the Director	Nil
Directorships held in other Companies	1. Godrej Industries Limited 2. Godrej Consumer Products Limited 3. Godrej Agrovet Limited 4. Godrej Properties Limited 5. Astec LifeSciences Limited 6. Godrej Tyson Foods Limited
Chairmanships and Memberships of Committees in other companies	**Godrej Industries Limited:** 1. Member – Stakeholder Relationship Committee 2. Chairman – Corporate Social Responsibility Committee 3. Chairman – Risk Management Committee
	Godrej Consumer Products Limited: 1. Member – Risk Management Committee 2. Member – Sustainability Committee 3. Chairman – Corporate Social Responsibility Committee. **Godrej Agrovet Limited:** 1. Member – Corporate Social Responsibility Committee 2. Chairman – Risk Management Committee 3. Chairman – Stakeholders Relationship Committee **Godrej Tyson Foods Limited:** 1. Member – Nomination and Remuneration Committee
Relationships between directors inter-se	Nil
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Terms and conditions of appointment or re- appointment are as per the Nomination and Remuneration Policy of the Company; No remuneration is proposed to be paid in the capacity of Non-Executive Director

Name of the Director	Mr. Balram S. Yadav
Director Identification Number (DIN)	00294803
Date of Birth	15/07/1964
Age (in Years)	56 Years
Nationality	Indian
Date of Appointment	23/09/2007
Qualification	Bachelor's degree of Science in Agriculture from The Haryana Agricultural University and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad; Completed Agribusiness Seminar from Harvard Business School
Nature of expertise in specific functional areas	Over 25 years of rich experience in diversified Businesses like - • Animal Feed • Aquafeed • Crop Protection • Oil Palm • Plant Biotech, etc. in the domain of projects, operations, administration, strategy and planning.
Number of Board Meetings attended during the Financial Year 2020-21	5 out of 5
No. of shares held by the Director	Nil
Directorships held in other Companies	1. Godrej Agrovet Limited 2. Astec LifeSciences Limited 3. SEALAC Agro Ventures Limited 4. Godrej Tyson Foods Limited
Chairmanships and Memberships of Committees in other companies	**Godrej Agrovet Limited:** 1. Member – Audit Committee 2. Member – Stakeholders' Relationship Committee 3. Member – Risk Management Committee 4. Member – Corporate Social Responsibility Committee **Astec LifeSciences Limited:** 1. Member – Corporate Social Responsibility Committee 2. Member – Nomination and Remuneration Committee 3. Member – Risk Management Committee 4. Member – Compensation Committee 5. Chairman – Stakeholders' Relationship Committee **Godrej Tyson Foods Limited** 1. Member – Audit Committee 2. Chairman – Corporate Social Responsibility Committee 3. Chairman – Managing Committee
Relationships between directors inter-se	Nil
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	Terms and conditions of appointment or reappointment are as per the Nomination and Remuneration Policy of the Company; No remuneration is proposed to be paid in the capacity of Non-Executive Director

Name of the Director	Mr. Jude Fernandes
Director Identification Number (DIN)	07482333
Date of Birth	12/04/1956
Age (in Years)	65
Nationality	Indian
Date of Appointment	11/04/2021
Qualification	B.Com. (Hons.)
Nature of expertise in specific functional areas	Corporate Advisor, training and development of next line of key managers. Retention of key accounts and aggressive new business development.
Number of Board Meetings attended during the Financial Year 2020- 2021	5 of 5
No. of shares held by the Director	Nil
Directorships held in other Companies	NIL
Chairmanships and Memberships of Committees in other companies	NIL
Relationships between directors inter-se	NIL

Name of the Director	Mr. Kannan Sitaram
Director Identification Number (DIN)	01038711
Date of Birth	21/05/1957
Age (in Years)	63 Years
Nationality	Indian
Date of Appointment	23/04/2021
Qualification	B. Tech. from IIT, Madras and MBA from IIM, Ahmedabad
Nature of expertise in specific functional areas	A consumer goods expert with experience in Foods, Beverages, Personal Care, Laundry, Home Care, Health Care. Experienced in business and brand strategy development and execution.
Number of Board Meetings attended during the Financial Year 2020-21	N.A.
No. of shares held by the Director	Nil
Directorships held in other Companies	1. Ankasummor Foods Private Limited 2. Sproutlife Foods Private Limited 3. Adret Retail Private Limited 4. Funfinity Learning Solutions Private Limited 5. Honasa Consumer Private Limited 6. Godrej Agrovet Limited
Chairmanships and Memberships of Committees in other companies	Nil
Relationships between directors inter-se	Nil
Terms and conditions of appointment / re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	Terms and Conditions of appointment or reappointment are as per the Nomination and Remuneration Policy of the Company; No remuneration is proposed to be paid in the capacity of Non-Executive Director, except sitting payable for attending Meetings of the Board of Directors and its Committees thereof, of which membership is held

EXPLANTORY STATEMENT AS REQUIRED UNDER THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act") FOR SPECIAL BUSINESS:

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice for convening the 34th Annual General Meeting of the Members of Creamline Dairy Products Limited on **Monday, 2nd August, 2021 at 5.00 1.m. (IST):**

Item No. 5:

As per the Ministry of Corporate Affairs (MCA) Order No. GSR 425 (E) F. No. dated 30th June 2014 read with amendments dated 31st December, 2014, Cost Audit is applicable for the product - Milk Powder manufactured by the Company. Based on the recommendation of the Audit Committee, the Board of Directors, at its Meeting held on 3rd May, 2021, have appointed M/s. S R and Associates, Cost Accountants (Firm Regn. No. 0540), as the Cost Auditors of the Company for the Financial Year 2021-22. The remuneration payable to the Cost Auditors requires ratification by the Members of the Company.

The proposed remuneration of the Cost Auditors for the Financial Year 2021-21 shall be ₹ 85,000/- (Rupees Eighty Five Thousand Only) plus Goods and Service Tax (GST) as applicable and re-imbursement of out-of-pocket expenses incurred by them in connection with the aforesaid audit at actuals.

None of the Directors / Key Managerial Personnel or their relatives is in any way concerned or interested financial or otherwise, in the Ordinary Resolution as set out in Item No. 5.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 5 in the Notice for approval of the Shareholders.

Item No. 6:

The Board of Directors of the Company, at its Meeting held on 28th January, 2021, based on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Bhupendra Suri as a "Whole-Time Director" for a period of 3 (Three) years with effect from 28th January, 2021 upto 27th January, 2024, subject to approval of the Shareholders.

Remuneration payable to Mr. Bhupendra Suri is mentioned in the Resolution set out in Item No. 6 of the accompanying Notice. The remuneration as detailed in the Notice is for a period with effect from 28th January, 2021 to 27th January, 2022 and remuneration from 28th January, 2022 to 27th January, 2024 shall be fixed as per the recommendations of the Nomination & Remuneration Committee and subject to the approval of the Board.

According to Section 197 of the Companies Act, 2013 read with Part II, Section II, Para A of Schedule V to the said Act, the appointment of and the remuneration payable to Managing Director / Executive Directors (subject to ceiling limits as prescribed) requires the approval of the Shareholders in General Meeting by way of a Special Resolution.

The information required under Schedule V to the Companies Act, 2013 is as under:

1. **GENERAL INFORMATION**

Nature of Industry:

The industry to which the Company relates is Dairy Industry. The main activities of the Company are procurement, processing, manufacturing and marketing of different varieties of milk and milk related products.

Date of Commencement of commercial production:

The Company has been in the industry for about three decades.

Financial Performance ₹ in Lakh

PARTICULARS	2016-17#	2017-18#	2018-19*	2019-20	2020-21
SALES AND OTHER INCOME	1,01,851.78	1,16,025.07	1,16,103.62	1,19,961.18	1,03,867.29
PROFIT BEFORE TAX	4,263.38	1,416.93	2,003.76	314.32	728.78
PROFIT AFTER TAX	2,605.08	929.03	1,297.95	471.66	594.04
NETWORTH (Equity + Reserves)	19,340.74	19,768.09	20,246.28	20,300.15	19,697.44
FIXED ASSETS (Gross Block)	26,579.31	28,978.66	36,818.44	40,404.72	41,941.23
RATE OF DIVIDEND (%)	30.00	30.00	30.00	20.00	20.00

* Restated to give the effect of merger of Nagavalli Milk Line Private Limited

2016-17 & 2017-18 are standalone figures.

Export performance and net foreign exchange collaboration: NIL

Foreign investment or collaboration:

The Company did not have any Foreign Investment and Collaboration during the Financial Year.

2. **INFORMATION ABOUT THE APPOINTEES**

	Mr. Bhupendra Suri
Background Details	Mr. Bhupendra Suri has about 30 years of experience in managing large businesses, both in India and in international markets, and has played different functional roles at regional and national levels in a large multinational environment. He is known to be a visionary leader with a growth mindset. He has completed his B. Tech., Mechanical Engineering, from IT – BHU, Varanasi and PGDBM (Post Graduate Diploma in Business Mgmt.) - Marketing & Finance, from XLRI, Jamshedpur. Mr. Suri was last associated with Creambell India, DFIL (Devyani Food Industries Ltd.) as a CEO. He was also the Managing Director of Coco-Cola, Nigeria till 2019 and has worked for Coca-Cola Nigeria / India / Hindustan Coca Cola Beverages. Pvt. Ltd. in the past, for more than 20 years.
Past Remuneration per month	₹ 12,41,451.80
Recognition or Award	-
Job profile and his suitability	Mr. Bhupendra Suri is responsible for day-to-day management and administration of the Company's operation subject to the superintendence, direction and control of the Board.
Remuneration proposed.	As mentioned in the resolution and draft Agreement to be executed between the Company and Mr. Bhupendra Suri
Comparative remuneration profile with respect to industry	Taking into consideration the size of the Company, the qualification and experience held by him the remuneration as proposed above is commensurate with the remuneration being paid to similar position in other Companies in the similar Industry.
Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any.	Besides the remuneration, Mr. Bhupendra Suri does not have any other pecuniary relationship in the Company

3. **OTHER INFORMATION:**

Reason for loss or inadequacy of profit, Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.

The Company operates in a very competitive environment with nominal margin. The nature of business carries with it large volumes with low margins. Efforts are being made to enhance the operations and strengthen the value added business of Dairy Products for better value addition.

The Board of Directors recommends the Special Resolutions as set out in Item No. 6 in the accompanying Notice for approval of the Shareholders.

A copy of the draft agreement to be executed by the Company with Mr. Bhupendra Suri, setting out the terms and conditions of payment of Mr. Bhupendra Suri are available for inspection, without any fee, by the Members at the Company's Registered Office during normal working hours (10.00 a.m. to 4.00 p.m.) on working days upto the date of AGM.

The appointee himself, namely, Mr. Bhupendra Suri is interested in the resolution relating to his appointment. None of the other Directors / Key Managerial Personnel or their relatives is in any way concerned or interested financial or otherwise, in these resolution.

The Board of Directors recommends the Special Resolution as set out in Item No. 6 in the Notice for approval of the Shareholders.

Item No. 7:

Mr. Jude Fernandes was appointed as an "Independent Director" of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the 29th Annual General Meeting of the Company held on 21st July, 2016 to hold office upto 10th April, 2021 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.)

The Board of Directors, after taking into account the performance evaluation of Mr. Jude Fernandes, during his first term of 5 (five) years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution has recommended the re-appointment of Mr. Jude Fernandes as an Independent Director on the Board of the Company, to hold office for the second term of 5 (five) consecutive years commencing from 11th April, 2021 to 10th April, 2026 and not liable to retire by rotation, subject to approval of the Shareholders of the Company.

The Board of Directors recommends the Special Resolution as set out in Item No. 7 in the Notice for approval of the Shareholders.

None of the Directors / Key Managerial Personnel or their relatives is in any way concerned or interested financial or otherwise, in the said Resolution as set out in Item No. 7.

Item No. 8:

The Holding Company, Godrej Agrovet Limited ("GAVL"), having its equity shares listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), requires pursuant to Regulation 24(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that at least 1 (one) Independent Director on the Board of Directors of GAVL shall be a Director on the Board of Directors of an unlisted material subsidiary.

In order to comply with this requirement, the Nomination and Remuneration Committee of Creamline Dairy Products Limited, vide its Resolution passed by Circulation on 22nd April, 2021, had recommended the appointment of Mr. Kannan Sitaram (DIN: 01038711), who is an Independent Director on the Board of Directors of GAVL, as an Independent Director of Creamline Dairy Products Limited, for a term of 5 (five) years commencing from 22nd April, 2021 up to 21st April, 2026.

Based on the recommendations of the Nomination & Remuneration Committee, the Members of the Board of Directors have appointed Mr. Kannan Sitaram (DIN: 01038711), as an "Independent Director" of the Company vide its Circular Resolution dated 23rd April, 2021, for a term of 5 (five) years commencing from 22nd April, 2021 upto 21st April, 2026.

The Company has received from Mr. Kannan Sitaram:

1. Consent in writing to act as Independent director;
2. Intimation to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 and
3. Declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Nomination & Remuneration Committee and the Board of Directors, Mr. Kannan Sitaram fulfills the conditions for his appointment as an "Independent Director" as specified in the Companies Act, 2013. Mr. Kannan Sitaram is independent of the management. It is therefore proposed that Mr. Kannan Sitaram be appointed for a term of 5 (five) years commencing from 22nd April, 2021 upto 21st April, 2026.

The Board of Directors recommends the Special Resolution as set out in Item No. 8 in the Notice for approval of the Shareholders.

None of the Directors/ Key Managerial Personnel or their relatives, is interested in the said resolution except Mr. Kannan Sitaram to the extent of the resolution relates to his appointment.

By Order of the Board
For **Creamline Dairy Products Limited**

Sd/-
Neha Poojary
Company Secretary

Date: 3rd May, 2021
Place: Mumbai

REPORT OF THE BOARD OF DIRECTORS

OF

CREAMLINE DAIRY PRODUCTS LIMTIED (CDPL)

[CORPORATE IDENTITY NUMBER (CIN): U15201TG1986PLC006912]

FOR

THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

TO THE MEMBERS

Your Directors are pleased to present the 34th Board's Report of the Company along with Audited Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL SUMMARY / HIGHLIGHTS OF THE COMPANY

The Audited Balance Sheet of your Company as on 31st March, 2021, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended as on that date and the Report of the Statutory Auditors thereon are being circulated along with this Report.

The salient features of the financial results are as follows:

(₹ in Lakh)

PARTICULARS	2020-21	2019-20
Sales and Other Income	1,03,867.29	1,19,961.18
Earnings Before Interest, Depreciation and Tax (EBITDA)	3,881.63	3,226.37
Interest and Finance Charges	230.27	178.09
Depreciation	2,922.58	2,733.96
Profit Before Tax / Extra-ordinary Item(s)	728.78	314.32
Profit After Tax	594.04	471.66
Other Comprehensive Income	(64.28)	5.62
APPROPRIATIONS		
Surplus Brought Forward	13,004.62	12,820.15
Amount transferred to General Reserve	-	-
Dividend	1,132.47	339.74
Taxes on Dividend	-	69.83
Surplus Carried to Balance Sheet	11,872.15	12,410.58

REVIEW OF OPERATIONS AND THE STATE OF AFFAIRS OF THE COMPANY

During the Financial Year 2020-21 under review, your Company has achieved a Revenue of ₹ 1,03,223.99 Lakh as compared to ₹ 1,19,297.91 Lakh for the last Financial Year 2019-20.

Your Company has achieved Profit Before Tax (PBT) of ₹ 728.78 Lakh for the Financial Year 2020-21 as against PBT of ₹ 314.32 Lakh for the Financial Year 2019-20.

CURRENT OPERATIONS AND FUTURE PROJECTIONS:

Marketing & Sales Front:

During the Financial Year 2020-21, sales got impacted due to COVID pandemic. There was a significant dent in demand from the HoReCa segment due to lockdown conditions. In value terms, the Liquid Milk sales decreased by 13% and Curd by

19%. Despite this, there was growth in Value added product categories like Ghee (83%), Paneer (13%) and Flavoured milk (7%). Parlor and E-commerce channel registered strong growth.

The Company undertook several measures in maximizing the Brand Image through several Above The Line (ATL) & Below The Line (BTL) advertisement campaigns to strengthen brand positioning.

"Jersey" brand was re-launched as "Godrej Jersey" with new visual identity supported by consumer awareness campaign. The Company supported brand "JERSEY" through Ghee campaign on the promise of taste and health and new improved formulation. Jersey continued its digital journey in 2020-21 across leading social and search platforms like Facebook & Google. Further, it launched Mysore Pak and Lemon variant of Recharge Whey Drink.

The Company's ambition is to grow sales faster than the market with more emphasis on the Value Added product range. It is also proposed to make "Jersey" a preferred dairy brand amongst consumers and aggressively drive our distribution.

CHANGE IN NATURE IN THE BUSINESS

During the year under review, there was no change in the nature of business of your Company.

DIVIDEND

Your Directors have recommended a Final Dividend at the rate of 20% (Twenty per cent), i.e., ₹2/- (Rupees Two Only) per Equity Share of Face Value of ₹10/- (Rupees Ten Only) each, subject to approval of the Equity Shareholders at the ensuing 34th (Thirty Fourth) Annual General Meeting (AGM) of the Company for the Financial Year 2020-21.

The Final Dividend will be paid to Shareholders whose names appear in the Register of Members of the Company as on date of AGM, i.e., on 2nd August, 2021 and in respect of Equity Shares held in dematerialized form, it will be paid to Shareholders whose names are furnished by National Securities Depository Limited (NSDL) as the beneficial owners as on that date.

During the Financial Year 2020-21, your Company has paid Interim Dividend 4 (four) times, as per the following details:-

Sr. No.	Date of Declaration by the Board of Directors	Rate of Interim Dividend	Interim Dividend per Equity Share
1.	8th May, 2020	20%	₹ 2/- (Rupees Two Only)
2.	24th July, 2020	20%	₹ 2/- (Rupees Two Only)
3.	27th October, 2020	20%	₹ 2/- (Rupees Two Only)
4.	28th January, 2021	20%	₹ 2/- (Rupees Two Only)

IMPACT OF COVID-19 PANDEMIC ON THE BUSINESS:

The outbreak of COVID-19 pandemic globally and in India is causing significant disruption and slowdown of the economic activity. Currently, the global economic environment is highly unpredictable as the duration and the impact of unprecedented COVID-19 pandemic is difficult to ascertain.

The lock-down, significant number of restrictions and unexpected variables may also make some impact on the operations and future growth plans of the Company. Also, the revenue of the Company will be impacted in few segments due to lower demand.

The Company remains confident of meeting the current challenges on the strength of its strong fundamentals.

TRANSFER TO RESERVES

The Board of Directors does not propose any transfer to the General Reserve for the Financial Year 2020-21.

DEPOSITS

Your Company has not accepted any deposits from the public, i.e., deposits covered under Chapter V of the Companies Act, 2013 [deposits within the meaning of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014] during the Financial Year 2020-21 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

There is no dividend remaining unpaid or unclaimed for a period of 7 (seven) years, which needs to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 125 of the Companies Act, 2013.

HOLDING COMPANY

Godrej Agrovet Limited is the Holding Company of your Company, which is, inter-alia, engaged in the business of manufacture and marketing of Animal Feeds, Agricultural Inputs and Oil Palm.

The shareholding of Godrej Agrovet Limited in your Company as on 31st March, 2021 was 51.91% [i.e., 58,79,008 (Fifty-Eight Lakh Seventy-Nine Thousand and Eight) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each] of the Paid-up Equity Share Capital of the Company.

Godrej Agrovet Limited is a subsidiary of Godrej Industries Limited, which is the Ultimate Holding Company of your Company.

SUBSIDIARY COMPANY

During the Financial Year 2020-21 and as on 31st March, 2021, your Company had/has no Subsidiary Company.

ASSOCIATE COMPANY

During the Financial Year 2020-21 and as on 31st March, 2021, your Company had/has no Associate Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL AND CHANGES THEREIN

As on 31st March, 2021, the Board of Directors of your Company comprised of the following Directors:

1. Mr. Nadir B. Godrej (Chairman – Non-Executive)*
2. Mr. K. Bhasker Reddy (Managing Director)#
3. Mr. D. Chandra Shekher Reddy (Executive Director)#
4. Mr. M. Gangadhar (Executive Director)#
5. Mr. Bhupendra Suri (Whole-Time Director & Chief Executive Officer)%
6. Mr. Balram Singh Yadav (Non-Executive, Non-Independent Director)*
7. Mr. S. Varadaraj (Non-Executive, Non-Independent Director)
8. Mrs. C. Manga Raj (Non-Executive, Non-Independent Director)^
9. Mr. Kavas Noshirwan Petigara (Independent Director)&
10. Mr. Jude Julius John Fernandes (Independent Director)^^

*Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Article 105 of the Articles of Association of the Company, Mr. Nadir B. Godrej and Mr. Balram Singh Yadav, Non-Executive Directors of the Company retire by rotation at the ensuing 34th (Thirty Fourth) Annual General Meeting and being eligible, offer themselves for re- appointment.

Mr. K. Bhasker Reddy was appointed as the "Managing Director" and Mr. D. Chandra Shekher Reddy and Mr. M. Gangadhar were appointed as the "Executive Directors", on the Board of Director of the Company with effect from 7th April, 2020.

^ Mrs. C. Manga Raj was appointed as a Non-Executive Director with effect from 8th May, 2020.

Mrs. Surekha Revalli ceased to be an Independent Director on account of expiry of her second term as an Independent Director of the Company w.e.f. 24th July, 2020.

Mr. Raj Kanwar Singh has resigned as a "Whole Time Director and Chief Executive Officer" w.e.f. 15th November, 2020. The Board places on record, sincere appreciation for the efficient and matured guidance and advice given by Mr. Raj Kanwar Singh during his tenure as a "Whole Time Director and Chief Executive Officer" of the Company.

% Mr. Bhupendra Suri was appointed as the "Whole-Time Director and Chief Executive Officer" on the Board of the Company with effect from 28th January, 2021.

& Mr. Kavas N. Petigara (Non- Executive, Independent Director) resigned from Independent Directorship of the Company w.e.f. 1st April, 2021.

^^Mr. Jude Fernandes has been re-appointed as an "Independent Director" of the Company for a second term for a period of 5 (five) years w.e.f. 11th April, 2021 upto 10th April, 2026, subject to the approval of Shareholders at the ensuing 34th (Thirty Fourth) Annual General Meeting.

Mr. Kannan Sitaram has been appointed as an "Independent Director" of the Company for a period of 5 (five) years w.e.f. 23rd April, 2021 to 22nd April, 2026, subject to the approval of Shareholders at the ensuing 34th (Thirty Fourth) Annual General Meeting.

Mr. K. V. Ramchandra Rao resigned as the "Chief Financial Officer" (CFO) w.e.f. 27th April, 2021.

During the year under review, the Board of Directors met 5 (five) times, on 7th April, 2020, 8th May, 2020, 24th July, 2020, 27th October, 2020 and 28th January, 2021.

The attendance details of Directors are mentioned below:

Sr. No.	Name of the Director	No. of Board Meetings attended during the Financial Year 2020-21
1	Mr. Nadir B. Godrej	5 out of 5
2	Mr. K. Bhasker Reddy	5 out of 5
3	Mr. M. Gangadhar	5 out of 5
4	Mr. D. Chandra Shekher Reddy	5 out of 5
6	Mr. Balram Singh Yadav	5 out of 5
7	Mr. S. Varadaraj	4 out of 5
8	Mr. JudeJulius John Fernandes	5 out of 5
9	Mrs. Surekha Revalli	3 out of 3
10	Mr. Kavas Noshirwan Petigara	5 out of 5
11	Mr. Raj Kanwar Singh	4 out of 4
12	Mrs. C. Manga Raj	4 out of 4

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 134(3) (d) of the Companies Act, 2013, disclosure is hereby given that the Company has received declaration / confirmation of independence pursuant to Section 149(6) of the said Act from Mr. Jude Julius John Fernandes Independent Director of the Company.

Mr. Kannan Sitaram, who has been appointed as an "Independent Director" of the Company w.e.f. 23rd April, 2021, has also given his declaration / confirmation of independence pursuant to Section 149(6) of the said Act, at the time of his appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of sub-sections (3)(c) and (5) of Section 134 of the Companies Act, 2013 ("the Act"), the Directors would like to state that:

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

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year (i.e., 31st March, 2021) and of the profit of the Company for that period (i.e., Financial Year 2020-21);

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

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

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

AUDIT COMMITTEE

The Audit Committee as on 31st March, 2021 comprised of the following Members:

1. Mr. Jude Julius John Fernandes - Chairman, Independent Director
2. Mr. S. Varadaraj - Member, Non- Executive Director
3. Mr. Kavas N. Petigara (*) - Member, Independent Director.

*Mr. Kavas N. Petigara (Non-Executive, Independent Director) ceased to be a Director 1st April, 2021.

The Committee met 4 (four) times during the Financial Year 2020-21 on 8th May, 2020, 24th July, 2020, 27th October, 2020 and 28th January 2021.

The attendance details of Committee Members are mentioned below:

Sr. No.	Name of the Director	No. of Meetings attended during the Financial Year 2020-2021
1	Mr. Jude Julius John Fernandes	4 out of 4
2	*Mr. Kavas N. Petigara	4 out of 4
3	Mr. S. Varadaraj	3 out of 4
4	*Mrs. Surekha Revalli	2 out of 2

*The Audit Committee was reconstituted on 24th July, 2020 on account Mrs. Surekha Revalli's cessation to be an 'Independent Director' due to expiry of her term and subsequently, Mr. Kavas N. Petigara was appointed as a Member of Audit Committee w.e.f. 24th July, 2020.

Mr. Kannan Sitaram has been inducted as a Member of Audit Committee w.e.f. 23rd April, 2021, upon cessation of membership of Mr. Kavas N. Petigara (consequent to his resignation from directorship w.e.f. 1st April, 2021).

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee as on 31st March, 2021 comprised of the following Members:

1. Mr. Jude Julius John Fernandes - Chairman, Independent Director
2. Mr. D. Chandra Shekher Reddy- Member, Executive Director
3. Mr. Varadaraj Subramanian - Member, Non-Executive Director.

The Committee has met 2 (two) times during the Financial Year 2020-21, on 8th May, 2020 and 28th January, 2021 to perform the responsibilities conferred onto the Committee as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The attendance details of Committee Members are mentioned below:-

Sr. No.	Name of the Director	No. of Meetings attended during the Financial Year 2020-21
1	Mr. Jude Julius John Fernandes	2 out of 2
2	Mr. Varadaraj Subramanian	1 out of 2
3	Mr. D. Chandra Shekher Reddy	1 out of 1
4	*Mr. Gangadhar Mandava	0 out of 1

The CSR Committee was reconstituted on w.e.f 24th July, 2020 and Mr. D. Chandra Shekher Reddy was appointed in place of Mr. Gangadhar Mandava as a Member of CSR Committee 24th July, 2020.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee as on 31st March, 2021 comprised of the following Members:

1. Mr. Jude Julius John Fernandes, Independent Director
2. Mr. Kavas N. Petigara, Independent Director
3. Mr. Balram Singh Yadav, Non-Executive Director

The Committee has met 3 (three) times during the Financial Year 2020-21, on 7th April, 2020, 8th May, 2020 and 28th January, 2021. The attendance details of Committee Members are mentioned below:

Sr. No.	Name of the Director	No. of Meetings attended during the Financial Year 2020-21
1	Mr. Jude Julius John Fernandes	3 out of 3
2	Mr. Balram Singh Yadav	3 out of 3
3	*Mr. Kavas N. Petigara	2 out of 2
4	*Mrs. Surekha Revalli	1 out of 1

*The Nomination and Remuneration Committee was reconstituted on 24th July, 2020 as Mrs. Surekha Revalli ceased to be an Independent Director due to expiry of her term and subsequently, Mr. Kavas N. Petigara was appointed as a Member of Nomination and Remuneration Committee w.e.f. 24th July, 2020.

Further, Mr. Kavas N. Petigara (Non-Executive, Independent Director) ceased to be a Director w.e.f. 1st April, 2021. Mr. Kannan Sitaram has been inducted as a Member of Nomination and Remuneration Committee w.e.f. April 23, 2021, upon cessation of Membership of Mr. Kavas N. Petigara.

MANAGEMENT COMMITTEE:

During the Financial Year under review, your Board of Directors has re-constituted the Management Committee twice, on 24th July, 2020 and 27th October, 2020.

As on 31st March, 2021 the following are the Members of the Management Committee:-

1.	Mr. Nadir B. Godrej	(Chairman, Non-Executive Director)
2.	Mr. K. Bhasker Reddy	(Member, Managing Director)
3.	Mr. D. Chandra Shekher Reddy	(Member, Executive Director)
4.	Mr. M. Gangadhar	(Member, Executive Director)
5.	Mr. Balram S. Yadav	(Member, Non-Executive Director)
6.	Mr. S. Varadaraj	(Member, Non-Executive Director)

POLICY ON REMUNERATION:

Your Company's framework of total rewards aims at a holistic utilization of elements such as fixed and variable compensation, long-term incentives, benefits and perquisites and non-compensation elements (career development, work life balance and recognition).

The rewards framework offers the flexibility to employees to customize different elements on the basis of need. It is also integrated with your Company's performance and talent management processes and designed to ensure sharply differentiated rewards for the best performers.

The total compensation for a given position is influenced by three factors: position, performance and potential.

The policy relating to the remuneration for Directors, Key Managerial Personnel (KMP) and other employees has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors, which is disclosed as "ANNEXURE - I" to this Directors' Report.

CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS:

1. **Qualifications of Independent Directors:**

   An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

2. **Positive Attributes of Independent Directors:**

   An Independent Director shall be a person who shall:

   i. uphold ethical standards of integrity and probity;

   ii. act objectively and constructively while exercising his duties;

   iii. exercise his responsibilities in a bona fide manner in the interest of the Company;

   iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;

   v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board of Directors in its decision making;

   vi. not abuse his position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

   vii. refrain from any action that would lead to loss of his independence;

   viii. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;

   ix. assist the Company in implementing the best corporate governance practices.

3. **Independence of Independent Directors:**

   An Independent Director should meet the criteria for independence prescribed under Section 149(6) of the Companies Act, 2013 read with (as may be amended from time to time).

4. **Registration in Independent Directors' Databank and Online Proficiency Self- Assessment:**

   Mr. Jude Julius John Fernandes and Mr. Kannan Sitaram, Independent Directors of the Company have successfully renewed their term of registration with the Indian Institute of Corporate Affairs (IICA) as per Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, he is exempt from the requirement of passing the Online Proficiency Self- Assessment Test in terms of the aforesaid provision.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has been actively supporting various initiatives in the areas of animal welfare over the years. After introduction of Section 135 of the Companies Act 2013, the CSR Committee formulated and recommended to the Board, a detailed Corporate Social Responsibility Policy (CSR Policy) keeping in view the provisions of Section 135 and Schedule VII to the Companies Act, 2014 and also the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Further, your Company has amended the CSR Policy, at the Meetings of the CSR Committee and the Board of Directors held on 3rd May, 2021, in accordance with the modification(s)/ amendment(s) issued by the Ministry of Corporate Affairs (MCA) vide Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22nd January, 2021.

The revised CSR Policy will continue to focus mainly on Good & Green, Employability, Greener India, Innovating for Good & Green and Brighter Giving.

The Company also undertakes additional CSR activities under Schedule VII, such as:

Education: Inclusive and equitable quality education for different age groups and promotion of life-long learning opportunities for all

Environmental sustainability: Water conservation, clean and renewable energy, reduction of waste to landfill, environmental sustainability, ecological balance, conservation of natural resources and reduction of pollution

Relief funds: Contribute to government relief funds or any other fund for disaster relief and rehabilitation

Rural development: Integrated rural development to improve education, health, livelihoods, and environmental conditions in rural and marginalised geographies

Poverty & hunger: Support poverty and malnutrition projects, promote preventive healthcare and sanitation, safe drinking water.

Gender issues: Support empowerment programmes for girl children, adolescent girls, and women, through education, health and livelihood projects, etc.

The CSR Policy may be accessed on the Company's website at the link: https://www.creamlinedairy.com/csr-policy

During the Financial Year 2020-21, the Company has allocated ₹ 28,27,783/- (i.e., 2% of the average net profits of last three Financial Years) for the purpose of implementing the CSR activities. Against the total allocated amount, the Company has spent ₹ 19,73,051/- and the unspent amount is ₹8,54,732/-.

The Annual Report on CSR activities is annexed herewith marked as **Annexure II.**

RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a risk management policy and in the opinion of the Board of Directors, no risks have been identified which may threaten the existence of the Company.

Your Company endeavors to become aware of different kinds of business risks and bring together elements of best practices for risk management in relation to existing and emerging risks. Rather than eliminating these risks, the decision making process at your Company considers it appropriate to take fair and reasonable risk which also enables the Company to effectively leverage market opportunities.

The Board determines the fair and reasonable extent of principal risks that your Company is willing to take to achieve its strategic objectives. With the support of the Audit Committee, it carries out a review of the effectiveness of your Company's risk management process covering all material risks.

Your Company has substantial operations spread all over Southern India and some parts of Maharashtra and its competitive position is influenced by the economic, regulatory and political situations and actions of the competitors.

INTERNAL FINANCIAL CONTROL SYSTEMS, INTERNAL AUDIT AND THEIR ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company's Internal Audit Department during the Financial Year had carried out detailed evaluation of the internal control systems and adequacy thereon. After carrying out their assignment, they have submitted their report observing no material deviations in the internal financial control system.

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

The Audit Committee of the Board of Directors and the Statutory Auditors are periodically apprised of Internal Audit findings and the corrective actions taken. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements if any for strengthening them. Your Company has a robust Management Information System which is an integral part of the control mechanism to maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Vigil Mechanism and Whistle Blower Policy of the Company, provides for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Protected disclosures can be made by a whistle blower in writing to the Vigilance Officer or the Chairman of the Audit Committee. The Policy provides for complete protection to the whistle blower. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: https://www.creamlinedairy.com/whistle-blower-policy

POLICY ON SEXUAL HARASSMENT

Your Company has in place, Policy on Prevention of Sexual Harassment of Women at Workplace, in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The Members of ICC as on 31st March, 2021 are as follows:-

1. Mrs. Chhavi Agarwal - Chairperson
2. Mrs. Bindu Madhavi - Member
3. Mr. Mohit Marwaha – Member
4. Ms. Neha Poojary – Member
5. Mr. Shravan Kumar Dullur - Member
6. Mrs. Sharmila Kher – External Member

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2020-21.

No. of Complaints outstanding as on 1st April, 2020	0
No. of complaints received during the F.Y. 2020-21	3
No. of complaints disposed off during the F.Y. 2020-21	3
No. of Complaints outstanding as on 31st March, 2021	0

AUDITORS AND AUDITORS' REPORTS

Statutory Auditors:

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number: 101248W/W- 100022) were appointed as the "Statutory Auditors" of your Company by the Shareholders at the 30th (Thirtieth) Annual General Meeting held on 27th July, 2017, for a term of 5 (five) consecutive years, which was subject to ratification by the Members at every Annual General Meeting.

The Shareholders of the Company, at their 30th (Thirtieth) Annual General Meeting held on 27th July, 2017, have ratified the appointment of Statutory Auditors to hold office from the conclusion of the 30th (Thirtieth) Annual General Meeting till the conclusion of the 35th (Thirty Fifth) Annual General Meeting, i.e., for the Financial Years from 2016-2017 to 2021-22, at such remuneration as may be mutually agreed upon between them and the Company.

The Report given by the M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors on the Financial Statements of the Company for the Financial Year under review is a part of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimer given by the Auditors in their Report.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 0213 and Rule 9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. P S Rao & Associates, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2020-21. The Secretarial Audit Report for the Financial Year ended 31st March, 2021 is annexed herewith and marked as **Annexure III** to this Report.

The Secretarial Audit Report contains the following observations with replies from the Management.

i. The Company has made certain belated filings of e-forms with MCA availing the Companies Fresh Start Scheme, 2020 (CFSS - 2020), which shall be subject to other compliances provided under General Circular No. 12/2020 issued by MCA on 30.03.2020.

ii. The AGM for the FY 2019-20 was conducted through VC/OAVMs, pursuant to MCA circulars, dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 under the Companies Act, 2013 (Act). Few procedural deviations as to requirements stipulated in the said circulars, Act and also the Secretarial Standards have been observed in the Notice thereof and the said AGM.

iii. The Statutory Compliance Certificate obtained internally by the Company has observed certain deviations with reference to the Food Safety and Standards Act, 2006 read with Rules thereunder.

iv. Consequent upon the merger of Nagavalli Milkline Private Limited (a wholly-owned subsidiary of the Company) with the Company, it has initiated the process of registration of immoveable property, held in the name of the said transferor Company, in its own name, which is still in progress as on date.

Management Reply:

In response to all the aforementioned observations:

The Company has complied with all the Statutory Compliances within the extended due dates issued by the concerned competent Government Authorities. However due to ongoing pandemic situations few compliances are delayed as the concerned official departments were not functioning in full capacity. The Company is striving to ensure that it is complied at the earliest.

Cost Auditors:

As per the Ministry of Corporate Affairs (MCA) Order No. GSR 425 (E) F. No. dated 30th June, 2014 read with amendments dated 31st December, 2014, the Cost Audit is applicable for Milk Powder Product manufactured by your Company. M/s. S R and Associates were the Cost Auditors of the Company for the Financial Year 2020-21.

Further, the Board of Directors, based on the recommendations of the Audit Committee, at its Meeting held on 3th May, 2021, has appointed M/s. S R and Associates, Cost Audit Firm, as the Cost Auditors of the Company for the Financial Year 2020-21. According to the said Rules, the remuneration payable to the Cost Auditors shall be approved by the Members of the Company at the ensuing 34th (Thirty Fourth) Annual General Meeting of the Company.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

The Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The performance evaluation of the Board as a whole, Chairman and Non-Independent Directors was carried out by the Independent Directors.

A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The confidential online questionnaire was responded to by all the Directors and vital feedback was received from them on how the Board currently operates and how it can enhance its effectiveness.

The Board of Directors has expressed its satisfaction with the evaluation process.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes having an impact on the financial position of the Company since 1st April, 2021 till the date of this Report.

FRAUD REPORTING BY STATUTORY AUDITORS:

In terms of Section 143(3) read with 143(12) of the Companies Act, 2013, the Statutory Auditors, in the course of the performance of their duties as auditors, have not reported or have reason to believe that an offence of fraud is or has been committed in the Company by its officers or employees.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

As required to be reported pursuant to the provisions of Section 186 and Section 134(3)(g) of the Companies Act, 2013, the particulars of loans, guarantees and investments by the Company under the aforesaid provisions during the Financial Year 2020-21, have been provided in the Notes to the Financial Statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013:

All Related Party Transactions entered into by your Company during the Financial Year 2020-21, were on arm's length basis and in the ordinary course of business. There were no material significant Related Party Transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company. Requisite prior approval of the Audit Committee of the Board of Directors was obtained for Related Party Transactions. Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Sections 134(3)(h) and 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. Attention of Shareholders is also drawn to the disclosure of transactions with related parties set out in Note No. 42 of the Financial Statements, forming part of the Annual Report.

SIGNIFICANT REGULATORY OR COURT ORDERS:

During the Financial Year 2020-21, there are no significant and material orders passed by the regulators or Courts or Tribunals which can adversely impact the going concern status of the Company and its operations in future.

DISCLOSURES ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO YOUR COMPANY:

Your Company is focused on conservation of energy by inducting latest technology in the market. The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **ANNEXURE IV** to this Report.

EXTRACT OF ANNUAL RETURN:

Pursuant to the Companies (Management and Administration) Amendment Rules, 2020, a Company is not required to attach the extract of the Annual Return with the Directors' Report in Form No. MGT-9, in case the web link of such Annual Return has been disclosed in the Board's Report in accordance with Section 92(3) of the Companies Act, 2013.

A copy of the Annual Return is placed on the website of your Company at www.creamlinedairy.com.

Thus, for your Company, the requirement of Form MGT-9 (Extract of Annual Return) has been dispensed with.

HUMAN RESOURCES:

Your Company continues to have amicable employee relations at all locations. Your Company continues to drive a strong performance based culture throughout the organization. This year, despite the COVID outbreak, your Company managed to operate 24*7 without any hindrance to business continuity. Your Company was able to fight the situation victoriously. Your Company arranged for disinfectant tunnels at all locations, regular sanitization of plants and sales offices, masks and sanitizers for all employees. All necessary approvals were taken from Government Officials on time across 6 (six) divisions & 10 (ten) plants in order to support with man and material movement without a single delay. All infected employees were tracked every day to ensure full support to them as a Jersey family. To support local villagers in and around 10 plants, your Company distributed groceries and Jersey products to support them in this crisis.

As this year taught the world a new normal, your Company also went virtual for several processes. As your Company believes in continuous learning of its employees, many learning and development programs were launched virtually. "Pathshala" where employees registered and learnt on improving their communication skills, managing performance workshop for all managers, Manufacturing Excellence Program to equip our plant leaders with more functional capability, Leading Teams for Impact, Prevention of Sexual Harassment (POSH) training, Marketing Communication training were launched. Sales capability building programs were monitored successfully this year too. To develop employees and assist them to move to next level, ACE program was launched first time this year.

Recruitment from the best institutions in management and technology has helped to improve workforce capabilities and develop future leaders. In-house reference check for all new hired to improve quality hiring was made this year. Internal talent management processes and talent mapping across dairy industry have helped strengthen success planning for the organization across levels, resulting in many positions being filled with internal talent. Internal Job Posting (IJP) was launched for junior positions across the Company for better visibility to all employees. To recognize employees extra mile efforts, your Company launched COVID Warrior Recognition Scheme along with the prevailing Going Extra Miles (GEM) awards.

Your Company continues to effectively manage HR operations through technology, with Zing HR. Your Company values employee feedback and ongoing communication, and Town Hall Select was launched for all front line leaders on a monthly basis. Regular connect with all new hires to help them settle in the role and a culture of formal buddy allotment was strengthened by Your Company.

The Board of Directors would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees by going an extra mile in this tough year.

MANAGERIAL PERSONNEL AND THEIR REMUNERATION & REMUNERATION PARTICULARS OF EMPLOYEES:

The remuneration paid to Directors and Key Managerial Personnel and the employees of the Company during the Financial Year 2020-21 was in accordance with the Nomination and Remuneration Policy of the Company.

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **"ANNEXURE 'V'** to this Report.

The information required pursuant to Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the Members at Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

INFORMATION SYSTEMS:

Your Company continues to invest and update all softwares used by the Company in order to simplify and increase the efficiency and accuracy of various functions. Your Company has, during the Financial Year under review, updated and upgraded the following systems and initiatives:

- E-invoice implementation as per Government guidelines to ensure compliance
- TCS Implementation as per Government recommendations
- Software-defined Wide Area Network (SDWAN) Implementation at Locations to ensure high availability and secure application access.

SECRETARIAL STANDARDS:

Your Company is in compliance with the Secretarial Standards on Meeting of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") as amended from time to time.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the Financial Year 2020-21, there was no application made and proceeding initiated /pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and/or Operational Creditors against your Company.

As on the date of this Report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the Financial Year 2020-21, the Company has not made any settlement with its Bankers from which it has accepted any loan from the Banks or Financial Institutions.

ADDITIONAL INFORMATION:

The additional information required to be given under the Companies Act, 2013 and the Rules made thereunder, has been laid out in the Notes attached to and forming part of the Financial Statements. The Notes to the Financial Statements referred to the Auditors' Report are self- explanatory and therefore do not call for any further explanation.

ACKNOWLEDGEMENT:

The Board appreciates and places on record the contribution made by the employees during the year under review. The Board also places on record their appreciation of the support of all stakeholders particularly shareholders, bankers, customers, suppliers and business partners.

Date: 3rd May, 2021
Place: Hyderabad

For and on behalf of
Creamline Dairy Products Limited

Sd/-
Director

Sd/-
Director

Annexure I

NOMINATION AND REMUNERATION POLICY

I. INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and Rules thereunder (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("NAR") and approved by the Board of Directors of the Company.

II. PURPOSE OF THE POLICY

The purpose of this Policy is to establish and govern the procedure applicable:

a) to formulate the criteria in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) to ensure appointment and level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully

c) to ensure that the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management meets appropriate performance benchmarks.

d) to ensure that, the remuneration payable creates a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and the goals.

e) to formulate a criteria for evaluation of performance of the Members of the Board.

III. SCOPE OF APPLICATION

The Policy applies to the Directors, Key Managerial Personnel (KMP) and Senior Management of Creamline Dairy Products Limited (the "Company").

IV. DEFINITIONS

'Act' means the Companies Act, 2013

'Board' or 'Directors' means the Board of Directors of Creamline Dairy Products Limited (CDPL)

'Committee' means the Nomination and Remuneration committee of the Company, constituted and re-constituted by the Board from time to time

'Company' means Creamline Dairy Products Limited (CDPL)

'Independent Director' means a director appointed pursuant to Section 149(6) of the Act, as amended from time to time

'Key Managerial Personnel' (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act namely:

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole- time Director
- Chief Financial Officer
- Company Secretary
- such other officer as may be prescribed

'Nomination and Remuneration Committee' or 'NAR Committee', by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act

'Other employees' means all the employees other than the Directors, KMPs and the Senior Management Personnel

‘Policy’ or ‘This Policy’ means, ‘Nomination and Remuneration policy”

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads as defined in the Companies Act, 2013

V. INTERPRETATION

Terms, words and expressions used in this policy and not defined herein in this policy shall have the same meaning assigned to them in the Companies Act, 2013 as may be amended from time to time

VI. CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the Nomination and Remuneration Committee (NAR Committee) on March 25th, 2015 as per the requirements under the Companies Act, 2013 and rules thereunder (as amended from time to time). The Committee shall comprise of atleast three Directors, all of whom shall be non-executive Directors and atleast half shall be Independent. The Board has the authority to reconstitute this Committee from time to time. The term of the Committee shall be continued unless terminated by the Board of Directors.

VII. FUNCTIONING OF THE COMMITTEE

The meeting of the Committee shall be held at such regular intervals as may be required. Minimum two (2) Members shall constitute a quorum for the Committee meeting. The Members of the Committee present at the meeting shall choose amongst them to act as a Chairman. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

VIII. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be reviewed and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

IX. ROLE OF THE COMMITTEE

The role of the Committee, inter alia, will be the following :

- To formulate a Nomination and Remuneration policy as per the provisions of section 178 (4) of the Companies Act, 2013 and Rules there under.
- To identify persons who are qualified to become directors and 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.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board, relating to the remuneration for the directors, key managerial personnel and other employees.
- To develop a succession plan for the Board and to regularly review the plan
- To assist the Board in fulfilling responsibilities
- To perform such other functions as may be necessary or appropriate for the performance of its duties

X. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

i. Appointment Criteria and Qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c. The Company shall not appoint or continue the employment of any person as Whole- time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

ii. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

i. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

ii. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

iii. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XI. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

i. Remuneration to Managing / Whole-time / Executive Director, KMP and Senior Management Personnel:

- The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
- The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.

ii. Remuneration to Non-Executive / Independent Director

- Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

XII. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

XIII. REVIEW AND AMENDMENT

i. The NAR Committee or the Board may review the Policy as and when it deems necessary.

ii. The NAR Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

iii. This Policy may be amended or substituted by the NAR Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

Jude Julius John Fernandes

Chairman, Nomination and Remuneration Committee

ANNEXURE -II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2020-21

1. Brief Outline on CSR Policy of the Company:

   Creamline Dairy Products Limited ("CDPL") believes that corporate social responsibility (CSR) should not just be about philanthropy and compliance but that it should also offer a more holistic corporate approach towards economic, social, and environmental impacts as a whole. CDPL's CSR policy is aimed at demonstrating care for the community through its focus on Rural Livelihoods, Education, Skill development, Environment and other Social Causes.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Jude Fernandes	Chairman	2	2
2.	Mr. D. Chandra Shekher	Member	2	2
3.	Mr. S. Varadaraj	Member	2	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board - www.creamlinedairy.com/CSRpolicy.html

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 **– Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1	2018-19	NA	NA
2	2019-20	NA	NA
3	2020-21	NA	NA

6. Average net profit of the company as per section 135(5): ₹ 14,13,89,172 /-

7. a) Two percent of average net profit of the company as per section 135(5): ₹ 28,27,783/-

   b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil

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

   d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 28,27,783/-

8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
19,73,051	8,54,732	27.04.2021	NA	NA	NA

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

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Vet Camps	(II) Livelihood enhancement Projects	Yes	Karnataka (Mandya District) Andhra Pradesh (Prakasham, Chitoor, East & West Godavari, Kadapa, Nellore)		April 2020 to March 2022	23,44,405	14,89,673	8,54,732	YES	Not Applicable	Not Applicable
				Tamilandu (Tiruvanamali, vellore, Krishnagiri, Kanchipuram, villupuram District) Maharastra (Bhandara, Nagpur,Gondia, Osmanabad, Lathur) Telangana (Pedapalli, Siddipet, Jangaon)								
	Total					**23,44,405**	**14,89,673**	**8,54,732**				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Loc al are a (Ye s/ No)	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	COVID-19 Relief	(i) Eradicating hunger, poverty and malnutrition, 'promoting health care including preventive health care	Yes	Karnataka (Mandya District)- Andhra Pradesh (Vijayawada/ Chittor, Prakasham Districts) Tamilnadu (Thiruvallur, Tenkasi District) Telangana (Ranga Reddy, Hyderabad District)		4,41,378	Direct	Not Applicable	Not Applicable
2.	Community Initiatives	(1)Promoting Health care(11) Promoting Education	Yes	Tamilnadu (Thiruvallur District), Andhra Pradesh (Vishakhapatnam)		42,000	Direct	Not Applicable	Not Applicable
	Total					**4,83,378**			

d) Amount spent in Administrative Overheads- Not Applicable

e) Amount spent on Impact Assessment - Not Applicable

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 19,73,051/-

g) Excess amount for set off, if any: NA

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	28,27,783
(ii)	Total amount spent for the Financial Year	19,73,051
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9. a) Details of Unspent CSR amount for the preceding three financial years

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2017-18	0	NA	NA	NA	NA	NA
2.	2018-19	0	NA	NA	NA	NA	NA
3.	2019-20	9,85,000	0	0	0	0	9,85,000
	Total	**9,85,000**	**0**	**0**	**0**	**0**	**9,85,000**

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in ₹).**	**Amount spent on the project in the reporting Financial**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project - Completed /Ongoing.**
						Year (in ₹).		
1	NA	NA						
2	NA	NA						
3	NA	NA						
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

(Asset-wise details).

a) Date of creation or acquisition of the capital asset(s). **Not Applicable**

b) Amount of CSR spent for creation or acquisition of capital asset. - **Not Applicable**

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc- **Not Applicable**

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)- N**ot Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Due to COVID restrictions followed by various state governments projects could not be conducted at field level

For Creamline Dairy Products Limited	**For Creamline Dairy Products Limited**
Sd/-	**Sd/-**
Bhupendra Suri	**Jude Fernandes (Independent Director)**
Whole – Time Director & Chief Executive Officer	**Chairman of the CSR Committee**

Date: 3rd May, 2021

Annexure III

FORM MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2021

[**Pursuant to Section 204(1) of the Companies Act, 2013 and**

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CREAMLINE DAIRY PRODUCTS LIMITED
H.No.6-3-1238/B/21 Asif Avenue, Rajbhavan Road,
Hyderabad- 500082

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CREAMLINE DAIRY PRODUCTS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **CREAMLINE DAIRY PRODUCTS LIMITED** ("the Company") for the financial year ended on 31st March, 2021, as made available to us, according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;

ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder – Not Applicable

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings – Not applicable to the Company during the audit Period

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

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the Company during the audit period)**;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the audit period)**;

(c) The Securities and Exchange Board of India (Issue of Capital and disclosure requirements), Regulations, 2018 **(Not applicable to the Company during the audit period)**;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008 **(Not applicable to the Company during the audit period)**;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations , 2009 **(Not applicable to the Company during the audit period)**;

(g) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011 **(Not applicable to the Company during the audit period)**;

(h) The Securities and Exchange Board of India (Buyback of Securities), Regulations 2018 **(Not applicable to the Company during the audit period)**.

vi. Other specifically applicable laws to the Company:

- Food Safety and Standards Act, 2006 and Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 and Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Legal Metrology Act, 2009 and The Legal Metrology (Packaged Commodities) Rules, 2011;
- Boilers Act, 1923 and Indian Boiler Regulations, 1950;
- The Water (Prevention and Control of Pollution) Act, 1974;
- The Air (Prevention and Control of Pollution) Act,1981;

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

i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) and Dividend (SS-3) issued by The Institute of Company Secretaries of India;

ii. The Company, being an unlisted Public Limited Company, has not entered into any Listing Agreement and hence the same is not commented upon.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- *The Company has made certain belated filings of e-forms with MCA availing the* ***Companies Fresh Start Scheme, 2020 (CFSS- 2020), which shall be subject to other compliances provided under General Circular No.12/2020 issued by MCA on 30.03.2020.***
- *The AGM for the FY 2019-20 was conducted through VC/OAVMs, pursuant to MCA circulars, dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 under the Companies Act, 2013 (Act). Few procedural deviations as to requirements stipulated in the said circulars, Act and also the Secretarial Standards have been observed in the Notice thereof and the said AGM.*
- *The Statutory Compliance Certificate obtained internally by the Company has observed certain deviations with reference to the Food Safety and Standards Act, 2006 read with Rules thereunder.*
- *Consequent upon the merger of Nagavalli Milkline Private Limited (a wholly-owned subsidiary of the Company) with the Company, it has initiated the process of registration of immoveable property, held in the name of the said transferor Company, in its own name, which is still in progress as on date.*

We further report that examination / audit of financial laws such as direct and indirect tax laws has not been carried out by us as part of this Secretarial Audit.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the directors to schedule the Board Meetings. We have been informed that agenda and detailed notes on agenda were sent sufficiently in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All the decisions at the Board Meetings and Committee Meetings have been carried out with requisite majority as recorded in the Minutes of the Meetings of the Board or Committees of the Board, as the case may be.

We further report that:

As per the information provided by the management, and based on the review of compliance reports by the respective departments / functional heads, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the Audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs except that:

The Scheme of Amalgamation contemplating the merger of Nagavallli Milkline Private Limited, the wholly owned subsidiary of the Company, with itself, effective 01.04.2019, subsequent upon receipt of various other requisite approvals, was approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench during the FY under audit. Requisite post merger compliances have been completed / are underway.

However, attention is drawn to Notes to Financial Statements, which describes the management's assessment of the impact of Covid-19 pandemic on the operations and financial results of the Company and its group.

For **P S Rao & Associates**

Company Secretaries

Vikas Sirohiya
M. No.15116
CP No.5246
UDIN: A015116C000227284

Place: Hyderabad
Date: May 3, 2021

[This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.]

Annexure A

To,
The Members,
CREAMLINE DAIRY PRODUCTS LIMITED
H.No.6-3-1238/B/21 Asif Avenue, Rajbhavan Road,
Hyderabad - 500082

Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practises we followed provide a reasonable basis for our opinion.
3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
7. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

8. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
9. As regards the Secretarial Audit for the FY 2020-21, the entire period under report was bogged down under the impact of Covid 19. Further, during the later part of the Quarter ended 31st March, 2021, the said pandemic resurfaced more furiously and continue to wreak havoc till date, thus forcing us to re-strategize our audit programme and approach. In view of the said, we could not conduct any plant verification physically. Further, for verification of documents and cross checks, we have relied on the management representations and assurances, wherever required, for forming our opinion and eventual reporting.

For **P S Rao & Associates**
Company Secretaries

Vikas Sirohiya
M. No.15116
CP No.5246
UDIN: A015116C000227284

Place: Hyderabad
Date: May 3, 2021

Annexure IV

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(A)	**Conservation of Energy**	
(i)	Steps taken and impact on conservation of energy	i. Condensate recovery at Keshavaram to raise feed water temperature of Boiler. ii. Insulation of Hot and cold lines to Prevent temperature loss at Malavalli.
(ii)	Steps taken by the company for utilizing alternate sources of energy.	• Installed solar PV setup at 3 sites for 682 KWP-: o Madanapalle o Malavalli o Keshavaram • Capital Investment was INR. 2.94 Crore
(iii)	Capital investment on energy conservation equipments	
(B)	**Technology Absorption**	
(i)	the efforts made towards technology absorption	Your Company has made the following efforts towards technology absorption: • Installed and commissioned an Indigenous technology for water treatment – Boom Tube in Vizag for 75KLD. This helps us treat the Effluent treatment plant output water and recover close to 100% of the water. The company intends to install these at one more plant. This will help us reduce water drawn from ground there by reducing ground water depletion • We commissioned Vizag plant and will commission Chennai plant in May 21.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution.	This will help us save - • Water treatment/purchase Cost • transportation cost
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year).	NIL
	(a) the details of technology imported	--
	(b) the year of import.	--
	(c) whether the technology been fully absorbed.	--
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	--
(iv)	the expenditure incurred on Research and Development.	NIL
(C)	**Foreign exchange earnings and Outgo**	Earnings : NIL Outgo : ₹ 85,03,862.97

Annexure-V

MANAGERIAL REMUNERATION & REMUNERATION PARTICULARS OF EMPLOYEES

(Section 197 of the Companies Act, 2013 and

Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

1. For Raj Kanwar Singh, Whole Time Director & Chief Executive Officer:

Sr. No.	Particulars	Information
(i)	Name of the employee	Raj Kanwar Singh
(ii)	Designation of the employee	Whole-Time Director and Chief Executive Officer
(iii)	Remuneration received	₹ 97,80,417/-
(iv)	Nature of employment, whether contractual or otherwise	As per Agreement
(v)	Qualifications of the employee	IIT Bombay - Electrical, PG- FMS - Marketing
	Experience of the employee	24 Years and 6 Months
(vi)	Date of commencement of employment	9/29/2016
(vii)	Age of such employee	49 Years and 8 Months
(viii)	The last employment held by such employee before joining the company	OK Foods, Nigeria.
(ix)	The percentage of equity shares held by the employee in the company	0
(x)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No

1. For Bhupendra Suri, Whole Time Director & Chief Executive Officer:

Sr. No.	Particulars	Information
(i)	Name of the employee	Bhupendra Suri
(ii)	Designation of the employee	Whole-time Director and Chief Executive Officer
(iii)	Remuneration received	₹ 60,10,365/-
(iv)	Nature of employment, whether contractual or otherwise	Contractual
(v)	Qualifications of the employee	IIT Bombay - Electrical, PG- FMS - Marketing
	Experience of the employee	23 Years
(vi)	Date of commencement of employment	07/12/2020
(vii)	Age of such employee	52 Years
(viii)	The last employment held by such employee before joining the company	Creambell India
(ix)	The percentage of equity shares held by the employee in the company	0
(x)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No

INDEPENDENT AUDITORS' REPORT

To the Members of Creamline Dairy Products Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Creamline Dairy Products Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and statement of cash flows dealt with by this Report are in agreement with the books of account .

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 35(b) to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Rahul Choudhary
Partner
Membership No.: 408408
UDIN: 21408408AAAAAV6634

Place: Jodhpur
Date: 3 May 2021

Annexure A to the Independent Auditor's Report on financial statements

With reference to Annexure A referred to in the Independent Auditor's Report of even date to the members of Creamline Dairy Products Limited ('the Company') on the financial statements for the year ended 31 March 2021, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year. Material discrepancies were noticed on such verification. These have been properly dealt with in the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 2 on property, plant and equipment to the financial statements are held in the name of the Company, except for the following:

Particulars of land	Gross Block (Rs in lakhs)	Remarks
Free hold land at Uthangarai	6.50	As informed by the Management, the registration of the land is under progress.
Free hold land at Uppal, Hyderadbad	193.67	As informed by the Management, the land has come into the books of the Company pursuant to the merger of Nagavalli Milkline Private Limited with the Company (refer Note 46 of the financial statements) and is in the process of being transferred in the name of the Company from that of Nagavalli Milkline Private Limited.

ii. The inventory, except goods-in-transit and stock lying with the third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmation have been obtained by the Management. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has granted loans to four parties covered in the register maintained under section 189 of the Act. The maximum outstanding during the year was Rs 915 lakhs and the year end balances of such loans was Rs 915 lakhs.

(a) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under section 189 of the Act are not, prima facie, prejudicial to the interest of the company.

(b) According to the information and explanations given to us loans granted are re-payable on demand. The borrowers have been regular in repaying the principal amounts when the Company has demanded repayment during the year. The payment of interest has been regular.

(c) There is no overdue amount of more than ninety days in respect of loans granted to the companies listed in the register maintained under section 189.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act with respect to the loans given. According to the information and explanations given to us, the Company has not made any investment or provided any guarantees and securities in respect of which provisions of section 185 and 186 of the Act are applicable.

v. The Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and Rules framed thereunder.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees state insurance, Income tax, Goods and Services tax, Duty of customs and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained by the Management, the Company did not have any dues on account of Sales tax, Service tax, Duty of excise, Value added tax and Cess. Refer note 38(a) to the financial statements relating to provident fund contribution.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues in respect of Provident fund, Employee's State Insurance, Income tax, Goods and Services tax, Duty of customs and other material statutory dues which were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Goods and Services tax, Service tax, Duty of customs, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute other than the following:

Name of the statute	Nature of dues	Amount Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	824.81 (165.00)*	AY 2017-18	Commissioner of Income- Tax (Appeals), Hyderabad
Income Tax Act, 1961	Tax	22.13 (22.13)*	AY 1995-96 to 2000-01	High Court of Telangana and Andhra Pradesh
Income Tax Act, 1961	Tax	38.21 (33.72)*	AY 2005-06	High Court of Telangana and Andhra Pradesh
Income Tax Act, 1961	Tax	12.75 (12.75)*	AY 2008-09	Assessing officer, Hyderabad
Income Tax Act, 1961	Tax	10.95 (10.95)*	AY 2014-15	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Tax	34.46 (6.90)*	AY 2016-17	Commissioner of Income- tax (Appeals), Hyderabad
APVAT Act, 2005	Tax	20.07 (5.01)*	FY 2004-05	Sales Tax Appellate Tribunal, Vizag
APVAT Act, 2005	Tax	8.66 (7.61)*	FY 2005-06	High Court of Telangana and Andhra Pradesh
APVAT Act, 2005	Tax	15.95 (14.89)*	FY 2014-16	Deputy Commissioner (Appellate), Vijayawada
APVAT Act, 2005	Tax	15.26 (7.63)*	FY 2016-18	Deputy Commissioner (Appellate), Vijayawada
APVAT Act, 2005	Tax	0.65 (0.65)*	FY 2015-16	Deputy Commissioner (Appellate), Vijayawada
CST Act, 1956	Tax	4.72 (2.36)*	FY 2015-16	Deputy Commissioner – (Appellate) Hyderabad
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Tax	2.97 (2.97)*	FY 2014-15	Deputy Commissioner (Appellate), Vijayawada
APVAT Act, 2005	Tax	17.39 (1.00)*	FY 2016-17, 2017-18 (Up to June)	Deputy Commissioner (Appellate), Vijayawada

* Represent amounts paid under protest or adjusted against receivable of other financial years.

viii. According to the records of the Company examined by us and information and explanations provided to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company does not have any loans or borrowings from any financial institution or government nor has it issued any debentures as at the balance sheet date.

ix. The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations provided to us and based on our examination of the records of the Company, the term loans have been applied on an overall basis, for the purposes for which they have been obtained.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xii) of the said Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties which are in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the said Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable to the Company.

xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the said Order are not applicable to Company.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Rahul Choudhary
Partner
Membership No.: 408408
UDIN: 21408408AAAAAV6634

Place: Jodhpur
Date: 3 May 2021

Annexure B to the Independent Auditors' report on the financial statements of Creamline Dairy Products Limited for the period ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Creamline Dairy Products Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W- 100022

Rahul Choudhary
Partner
Membership No. 408408
UDIN: 21408408AAAAAV6634

Place: Jodhpur
Date: 3 May 2021

Balance sheet

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

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	25,325.62	26,139.43
Capital work-in-progress	3	762.92	607.25
Other intangible assets	4	61.00	111.64
Right-of-use asset	37	210.92	221.72
Financial assets			
Other financial assets	5	403.28	317.38
Non-current tax assets (net)		581.18	497.77
Other non-current assets	6	424.60	465.45
Total non-current assets		**27,769.52**	**28,360.64**
Current assets			
Inventories	7	14,201.33	13,559.75
Financial assets			
Trade receivables	8	853.44	904.49
Cash and cash equivalents	9	1,146.41	1,450.29
Bank balances other than cash and cash equivalents	10	7.08	3.33
Loans and advances	11	644.39	-
Other current financial assets	12	240.62	255.60
Other current assets	13	590.09	801.54
Total current assets		**17,683.36**	**16,975.00**
Total assets		**45,452.88**	**45,335.64**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,132.47	1,132.47
Other equity	15	18,564.97	19,167.68
Total equity		**19,697.44**	**20,300.15**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	742.19	773.44
Lease liability		128.54	135.66
Provisions	17	369.45	323.51
Deferred tax liabilities (Net)	18	444.86	485.72
Deferred income	19	152.41	161.75
Total non-current liabilities		**1,837.45**	**1,880.08**
Current liabilities			
Financial liabilities			
Borrowings	20	-	4,000.00
Trade payables	21		
a) Total outstanding dues of micro and small enterprises		422.35	266.52
b) Total outstanding dues of other than micro and small enterprises		18,279.34	14,962.09
Other financial liabilities	22	4,439.13	3,090.90
Other current liabilities	23	623.21	660.81
Deferred income	24	9.34	9.34
Provisions	25	144.62	165.75
Total current liabilities		**23,917.99**	**23,155.41**
Total liabilities		**25,755.44**	**25,035.49**
Total Equity and liabilities		**45,452.88**	**45,335.64**

The accompanying notes are an integral part of the financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

Rahul Choudhary
Partner
Membership No.: 408408
Place: Jodhpur

K Bhasker Reddy
Managing Director
DIN: 00014291
Place: Hyderabad

M Gangadhar
Executive Director
DIN:00014325
Place: Hyderabad

D.Chandra Shekher Reddy
Executive Director
DIN: 00063691
Place: Hyderabad

Bhupendra Suri
Whole-time director and
Chief Executive Officer
DIN: 09035926
Place: Hyderabad

Pulamanthole Pisharath Manoj
Chief Financial Officer
Place: Hyderabad

Neha Poojary
Company Secretary
Place: Mumbai

Date: 3 May 2021

Statement of profit and loss

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

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	26	1,03,223.99	1,19,297.91
Other income	27	643.30	663.27
Total income		**1,03,867.29**	**1,19,961.18**
Expenses			
Cost of materials consumed	28	78,467.91	95,770.34
Purchase of stock-in-trade		1,013.50	1,243.36
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	29	853.10	(855.95)
Employee benefits expense	30	7,015.72	7,107.33
Finance costs	31	230.27	178.09
Depreciation and amortisation expense	32	2,922.58	2,733.96
Other expenses	33	12,635.43	13,469.73
Total expenses		**1,03,138.51**	**1,19,646.86**
Profit before tax		728.78	314.32
Tax expense:	41		
Current tax:		166.63	54.80
Deferred tax		(19.24)	(244.37)
Earlier year tax		(12.65)	32.23
		134.74	**(157.34)**
Net profit for the year		594.04	471.66
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	38	(85.90)	7.51
income tax relating to these items	41	21.62	(1.89)
Total other comprehensive income for the year		**(64.28)**	**5.62**
Total comprehensive income for the year		**529.76**	**477.28**
Earnings per share			
Basic earnings per share of Rs. 10 each	34	5.25	4.16
Diluted earnings per share of Rs. 10 each	34	5.25	4.16

The accompanying notes are an integral part of the financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

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Partner
Membership No.: 408408
Place: Jodhpur

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Managing Director
DIN: 00014291
Place: Hyderabad

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Bhupendra Suri
Whole-time director and
Chief Executive Officer
DIN: 09035926
Place: Hyderabad

Pulamanthole Pisharath Manoj
Chief Financial Officer
Place: Hyderabad

Neha Poojary
Company Secretary
Place: Mumbai

Date: 3 May 2021

Cash flow statement

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities :		
Profit before tax	728.78	314.32
Adjustment for:		
Depreciation and amortisation expense	2,922.58	2,733.96
Loss on sale of property, plant and equipment, net	107.98	18.10
Profit on sale of investments (net)	(10.47)	(32.59)
Amortisation of government grants	(9.34)	(9.34)
Interest income	(73.53)	(205.73)
Finance costs	230.27	178.09
Allowances for doubtful debts and advances	33.69	82.31
Liabilities no longer required written back	(172.16)	(149.07)
Bad debts written off/(Recovered), net	56.78	25.77
Operating profit before working capital changes	**3,814.58**	**2,955.82**
Inventories	(641.58)	(2,869.84)
Trade receivables	(5.73)	(109.62)
Other non-current assets and current assets	8.88	(514.99)
Other financial assets	(79.79)	(90.92)
Trade payables	3,473.08	5,348.42
Employee benefit obligations	(61.08)	9.46
Other financial liabilities	573.01	649.17
Other Current and non-current labilities	(37.60)	94.77
Cash generated from operations	**7,043.77**	**5,472.27**
Taxes paid (net of refunds received)	(237.39)	(426.99)
Net cash flow from operating activities	**6,806.38**	**5,045.28**
Cash flow from investing activities :		
Payments for property, plant and equipment (net of capital advances, capital creditors and capital work-in-progress)	(2,080.65)	(3,941.38)
Proceeds from sale of property, plant and equipment	48.15	102.05
Purchase and sale of short-term investments, net	10.47	32.59
Interest received	72.10	201.74
Net cash used in investing activities	**(1,949.93)**	**(3,605.00)**
Cash flow from financing activities :		
Net proceeds from short-term borrowings	(4,000.00)	1,187.65
Proceeds from long-term borrowings	2,000.00	1,054.69
Repayment of long-term borrowings	(1,031.25)	(2,555.31)
Inter-corporate deposits given	(2,577.00)	(19,178.00)
Proceeds from recovery of inter-corporate deposits given	1,939.17	19,178.00
Proceeds from inter-corporate deposits taken	3,000.00	500.00
Repayment of inter-corporate deposits taken	(3,000.00)	(500.00)
Finance costs	(212.01)	(180.90)
Payment of lease liabilities	(146.77)	(141.95)
Dividend paid	(1,132.47)	(339.74)
Dividend tax paid	-	(69.83)
Net cash used in financing activities	**(5,160.33)**	**(1,045.39)**
Net (decrease)/ increase in cash and cash equivalents	(303.88)	394.89
Cash and cash equivalents at the beginning of the year (refer note 9)	1,450.29	1,055.40
Cash and cash equivalents at the end of the year (refer note 9)	**1,146.41**	**1,450.29**

Refer note 45 for reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

The above Statement of Cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows ".

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

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Partner
Membership No.: 408408
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Whole-time director and
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Pulamanthole Pisharath Manoj
Chief Financial Officer
Place: Hyderabad

Neha Poojary
Company Secretary
Place: Mumbai

Date: 3 May 2021

Statement of changes in equity

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

(a) Equity share capital

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the reporting year	1,132.47	1,132.47
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**1,132.47**	**1,132.47**

(b) Other equity

As at 31 March 2021	Retained earnings	General reserve	Securities premium	Capital reserves	Other comprehensive Income	Total
Balance at 31 March 2020	**12,410.58**	**1,443.72**	**5,720.20**	**(186.98)**	**(219.84)**	**19,167.68**
Total comprehensive income for the year						
Profit for the year	594.04	-	-	-	-	594.04
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	(64.28)	(64.28)
Total comprehensive income for the year	594.04	-	-	-	(64.28)	529.76
Transactions with the owners of the Company:						
Dividend	(1,132.47)	-	-	-	-	(1,132.47)
Dividend distribution tax	-	-	-	-	-	-
Balance at 31 March 2021	**11,872.15**	**1,443.72**	**5,720.20**	**(186.98)**	**(284.12)**	**18,564.97**

As at 31 March 2020	Retained earnings	General reserve	Securities premium	Capital reserves	Other comprehensive Income	Total
Balance at 1 April 2019	**12,362.33**	**1,443.72**	**5,720.20**	**(186.98)**	**(225.46)**	**19,113.81**
Impact on account of transition to IndAS 116, net of related deferred tax of Rs.7.44 Lacs (refer note 37)	(13.84)	-	-	-		(13.84)
Total comprehensive income for the year						
Profit for the year	471.66	-	-	-	-	471.66
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	-	5.62	5.62
Total comprehensive income for the year	471.66	-	-	-	5.62	477.28
Transactions with the owners of the Company:						
Dividend	(339.74)	-	-	-	-	(339.74)
Dividend distribution tax	**(69.83)**	**-**	**-**	**-**	**-**	**(69.83)**
Balance at 31 March 2020	**12,410.58**	**1,443.72**	**5,720.20**	**(186.98)**	**(219.84)**	**19,167.68**

The accompanying notes are an integral part of the financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

Rahul Choudhary
Partner
Membership No.: 408408
Place: Jodhpur

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Whole-time director and
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DIN: 09035926
Place: Hyderabad

Pulamanthole Pisharath Manoj
Chief Financial Officer
Place: Hyderabad

Neha Poojary
Company Secretary
Place: Mumbai

Date: 3 May 2021

Creamline Dairy Products Limited Note to the financial statements

Company overview:

Creamline Dairy Products Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at # 6-3-1238/B/21, Asif Avenue, Raj Bhavan Road, Hyderabad. The Company is principally engaged in milk procurement, processing of milk and manufacturing and selling of milk and milk products. The Company is also engaged in generation of power through renewable energy sources.

1. **Significant accounting policies**

   a) **Statement of compliance**

   The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

   Recent Indian Accounting Standards (Ind AS)

   Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

   b) **Basis of preparation**

   These financial statements have been prepared on Going concern, accrual and historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

   c) **Functional and presentation currency**

   These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

   d) **Key estimates and assumptions**

   While preparing the financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the restated statement of assets and liabilities and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

   Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

   Judgment, estimates and assumptions are required in particular for:

   - **Determination of the estimated useful lives**

     Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- **Leases**

  The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

  The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

  The Company revises the lease term if there is a change in the non-cancellable period of a lease.

  The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

e) Fair value measurement:

The Company's accounting policies and disclosures 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 management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. 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).

If the inputs used to measure the fair value of an asset or a liability fall into 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.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

f) Current and non-current classification

All assets and liabilities in the balance sheet are classified into current and non-current as required under Schedule III reporting framework.

Assets

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

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

ii. It is held primarily for the purpose of being traded;

iii. It is expected to be realised within 12 months after the reporting date; or

iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

i. It is expected to be settled in the Company's normal operating cycle;

ii. It is held primarily for the purpose of being traded;

iii. It is due to be settled within 12 months after the reporting date; or

iv. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

The Company has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

g) Revenue

Sale of goods

The Company is engaged in sale of milk, milk products, animal feed etc. Revenue from the sale of goods is recognised when control of the goods has transferred to the buyer which coincides with the time when the goods are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of goods.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts collected on behalf of third parties.

Sale of power

Revenue from the sale of power is recognised when the Company sells the power to the customer. Revenue from sale of power is based on the price specified in the sales contracts.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the statement of profit or loss.

Dividend income

Dividend income is accounted for when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

h) Foreign currency

Transactions in foreign currencies are translated to functional currencies of Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of profit and loss.

i) Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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 obligation can be estimated reliably.

Short-term employee benefit such as salaries, wages, bonus, special awards and medical benefits, etc. are recognized on an un-discounted basis and charged to the statement of profit and loss.

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a separate entity and has no obligation to pay any further amounts. Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss during the period in which the employee renders the related service. The Company has no obligation, other than the contribution payable to these funds.

Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The Company has an arrangement with Life Insurance Corporation of India (LIC) to administer its gratuity scheme.

Accrued liability towards gratuity is provided on the basis of actuarial valuation under the Projected Unit Credit (PUC) method and debited to the statement of profit and loss Statement and Actuarial gains or losses net of deferred taxes are accounted for in Other Comprehensive Income (OCI).

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the statement of profit and loss.

j) Taxes on income:

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in the OCI.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a. has a legally enforceable right to set off the recognised amounts; and

b. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where applicable.

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 amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences 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;

- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognized directly in equity or OCI is recognized in equity or OCI.

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.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

k) Inventories

Inventories which comprise of raw material, packing material, work-in-progress, finished goods and stores and spares are valued at lower of cost and net realizable value. Cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. The inventories of raw materials, packing materials, work-in-progress, finished goods and stores are valued at moving weighted average cost of the respective batches.

Cost of work-in-progress and finished goods include direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

l) Dividend Distribution

Dividend paid (including income tax thereon, if any) is recognized in the period in which the interim dividends are approved by the Board of

Directors or in respect of final dividend when approved by shareholders.

m) Property, plant and equipment

Recognition and measurement

Property, Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated 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 the statement of profit or loss.

Freehold land is carried at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation/ Amortizations

Depreciation on tangible fixed assets is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, external & internal assessment, requirement of refurbishments and past experience of the remaining useful life which is different from the useful life as specified in Schedule II to the Act:

Asset category	Estimated useful life in years
Plant and machinery	8
Wind and Solar equipment	22
Crates, cans and milk-o-testers	4

Crates, Cans and milko testers on replacement are charged to revenue.

n) Intangible assets

Recognition and measurement

Intangible assets other than Goodwill are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of profit or loss.

The intangible assets are amortised over the estimated useful lives as given below:

- Computer Software : 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

o) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

q) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combinations, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Company acquired a business, it assessed the financials assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of entities comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

r) Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amounts of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the fair value less costs to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor that reflects current market assessments of the time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognised for an asset (other than goodwill) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of goodwill, such reversal is not recognised.

s) 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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

t) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

u) Government grants

Government Grants are recognised where there is a reasonable assurance that the grant will be received and the attached conditions will be complied with.

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.

v) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor:

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and awards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

Transition to Ind AS 116:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

w) Financial instruments

Recognition and initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument except for trade receivables which are initially recognized when they are originated. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are measured at transaction price. 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. Regular way purchase and sale of financial assets are accounted for at trade date.

Classification and subsequent measurement

Financial assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets 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.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset 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.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial instruments

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset 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 derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this cases, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the statement of profit and loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer the notes for details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

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 to realize the asset and settle the liability simultaneously.

x) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

y) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

z) Provisions, Contingent liabilities, Contingent assets and Commitments

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 & 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 risk 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. A provision for onerous contracts is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow or resources will be required to settle the obligation;
- a present obligation arising from past events, when the amount of the obligation cannot be measured with sufficient reliability;
- a possible obligation arising from past events, unless the probability of outflow or resources is remote.

A contingent asset is not recognized but disclosed in the financial statements where an inflow of economic benefit is probable. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

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

Note 2 Property, Plant and Equipment and Capital work-in-progress

Particulars	Free hold Land	Buildings	Plant and Machinery	Electrical Installations	Furniture and Fixtures	Vehicles	Office equipment	Crates, Cans & Milk-o-Testers	Wind and Solar Equipment	Computers	Total of Property, Plant and Equipment
Gross Block											
As at 1 April 2020	3,111.03	9,536.63	21,491.60	1,442.77	261.05	554.02	264.09	460.06	2,701.16	582.31	40,404.72
Additions	-	267.40	1,352.74	109.00	4.95	71.66	11.08	13.19	165.87	82.12	2,078.01
Disposals	-	-	(360.25)	(0.92)	(0.34)	(90.20)	(1.48)	(75.41)	-	(12.90)	(541.50)
As at 31 March 2021	**3,111.03**	**9,804.03**	**22,484.09**	**1,550.85**	**265.66**	**535.48**	**273.69**	**397.84**	**2,867.03**	**651.53**	**41,941.23**
Accumulated Depreciation											
As at 1 April 2020	-	1,739.94	9,631.65	525.52	127.62	281.36	164.25	416.84	975.53	402.58	14,265.29
For the year	-	304.34	2,006.19	114.89	16.11	66.32	29.13	18.35	116.50	63.85	2,735.68
Disposals	-	-	(262.45)	(0.50)	(0.21)	(39.14)	(0.49)	(72.40)	-	(10.17)	(385.36)
As at 31 March 2021	**-**	**2,044.28**	**11,375.39**	**639.91**	**143.52**	**308.54**	**192.89**	**362.79**	**1,092.03**	**456.26**	**16,615.61**
Net Block as at 31 March 2021	**3,111.03**	**7,759.75**	**11,108.70**	**910.94**	**122.14**	**226.94**	**80.80**	**35.05**	**1,775.00**	**195.27**	**25,325.62**
Gross Block											
As at 1 April 2019	3,121.87	8,755.53	19,164.79	1,022.47	224.69	627.40	227.42	463.17	2,644.91	566.19	36,818.44
Additions	-	781.10	2,587.93	425.31	38.33	71.41	38.41	5.85	56.25	40.30	4,044.89
Disposals	(10.84)	-	(261.12)	(5.01)	(1.97)	(144.79)	(1.74)	(8.96)	-	(24.18)	(458.61)
As at 31 March 2020	**3,111.03**	**9,536.63**	**21,491.60**	**1,442.77**	**261.05**	**554.02**	**264.09**	**460.06**	**2,701.16**	**582.31**	**40,404.72**
Accumulated Depreciation											
As at 1 April 2019	-	1,453.54	7,993.06	434.92	113.47	318.75	138.54	402.83	864.30	355.48	12,074.89
For the year	-	286.40	1,849.14	94.36	15.98	56.29	26.87	19.59	111.23	69.00	2,528.86
Disposals	-	-	(210.55)	(3.76)	(1.83)	(93.68)	(1.16)	(5.58)	-	(21.90)	(338.46)
As at 31 March 2020	**-**	**1,739.94**	**9,631.65**	**525.52**	**127.62**	**281.36**	**164.25**	**416.84**	**975.53**	**402.58**	**14,265.29**
Net Block as at 31 March 2020	**3,111.03**	**7,796.69**	**11,859.95**	**917.25**	**133.43**	**272.66**	**99.84**	**43.22**	**1,725.63**	**179.73**	**26,139.43**

Notes:

(i) Refer to note 35(a)(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Free hold land located at Uthangarai, Tamilnadu to the extent of Rs. 6.50 lakhs is in the process of being transferred in the name of the Company.

(iii) Free hold land located at Uppal Hyderabad to the extent of Rs. 193.67 lakhs was received as a part of merger of Nagavalli Milkline Private Limited and is in the process of being transferred in the name of the Company

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 3 Capital work-in-progress

Particulars	Amount
As at March 31, 2021	
Cost	
As at 1 April 2020	607.25
Additions during the year	2,233.68
Capitalised during the year	(2,078.01)
As at March 31, 2021	**762.92**
As at March 31, 2020	
Cost	
As at 1 April 2019	1,106.13
Additions during the year	3,546.01
Capitalised during the year	(4,044.89)
As at March 31, 2020	**607.25**

Note 4 Intangible assets

Particulars	Computer Software	Total
Gross Block		
As at 1 April 2020	**618.65**	**618.65**
Additions	3.43	3.43
Disposals	-	-
As at 31 March 2021	**622.08**	**622.08**
Accumulated amortisation		
As at 1 April 2020	507.01	507.01
For the year	54.07	54.07
Disposals	-	-
As at 31 March 2021	**561.08**	**561.08**
Net Block as at 31 March 2021	**61.00**	**61.00**
Gross Block		
As at 1 April 2019	618.65	618.65
Additions	-	-
Disposals	-	-
As at 31 March 2020	**618.65**	**618.65**
Accumulated amortisation		
As at 1 April 2019	428.11	428.11
For the year	78.90	78.90
Disposals	-	-
As at 31 March 2020	**507.01**	**507.01**
Net Block as at 31 March 2020	**111.64**	**111.64**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 5 Non-current investments (unsecured)

	As at 31 March 2021	As at 31 March 2020
Considered good:		
Security deposits	343.28	316.63
Fixed deposits with maturity of more than 12 months*	60.00	0.75
	403.28	**317.38**
Considered doubtful:		
Security deposits	1.95	-
Less: Allowance for doubtful assets	(1.95)	-
	-	**-**
	403.28	**317.38**

*Fixed deposits with scheduled banks held as margin money towards overdraft limit

Note 6 Other non-current assets (unsecured)

	As at 31 March 2021	As at 31 March 2020
Considered good:		
Capital advances	34.54	255.06
Prepaid expenses	150.44	82.38
Balances with Government authorities	239.62	128.01
	424.60	**465.45**
Considered doubtful:		
Capital advances	18.37	-
Less: Allowance for doubtful advances	(18.37)	-
	-	**-**
	424.60	**465.45**

Note 7 Inventories (Valued at lower of cost and net realisable value)

	As at 31 March 2021	As at 31 March 2020
Raw materials*	6,676.91	5,519.13
Packing materials	945.43	743.13
Finished goods**	5,185.25	6,039.87
Work-in-progress	600.76	623.55
Stock-in-trade (Animal feed)	93.26	68.95
Consumables, stores and spares	699.72	565.12
	14,201.33	**13,559.75**

*Includes skim milk powder purchased and produced by the Company.

** Includes inventory of butter which are for sale and for the purpose of reconstitution into milk and milk products.

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

The write-down/ (reversal) of inventories to net realisable value and other provisions / losses during the year amounted to Rs. 150.32 Lacs (31 March 2020: Rs. 326.88 Lacs). The write-downs/ provisions/ losses and (reversals) are included in cost of materials consumed and other expenses

Note 8 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Trade receivables, unsecured		
Considered good	902.33	1,037.88
Credit impaired	213.04	229.69
	1,115.37	**1,267.57**
Loss allowance	(261.93)	(363.08)
	853.44	**904.49**

(i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 39.2.

(iii) Trade receivables includes receivables from related parties Rs. 17.31 lakhs (31 March 2020 Rs. 4.27 lakhs). Refer note 42.

Note 9 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash on hand	188.79	284.66
Cheques on hand	62.74	60.77
Balance with banks		
- In current accounts	894.88	1,104.86
	1,146.41	**1,450.29**
Cash and cash equivalents as per the cash flow statement	1,146.41	1,450.29

Note 10 Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
In deposit accounts (due to mature within 12 months from the reporting date)*	2.68	0.93
Unpaid dividend accounts	4.40	2.40
	7.08	**3.33**

*Fixed deposits with scheduled banks held as margin money towards bank guarantees/ sales tax registration/ overdraft limit

Note 11 Loans and advances

	As at 31 March 2021	As at 31 March 2020
(unsecured, considered good)		
Loans and advances to related parties:		
Inter corporate deposits*	644.39	-
	644.39	**-**

* Inter corporate deposits are on demand and carries interest rate ranging from 7.25% to 9.25% (refer note 42)

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 12 Other current financial assets (unsecured)

	As at 31 March 2021	As at 31 March 2020
Considered good:		
Security deposits	89.43	106.76
Advances to employees	17.89	30.19
Interest receivable	12.20	17.33
Other receivables	121.10	101.32
	240.62	**255.60**
Considered doubtful:		
Security deposits	3.84	-
Other receivables	0.75	-
Less: Allowance for doubtful assets	(4.59)	-
	-	**-**
	240.62	**255.60**

Note 13 Other current assets (Unsecured)

	As at 31 March 2021	As at 31 March 2020
Considered good:		
Advances to suppliers	76.03	79.49
Advances to milk suppliers	168.20	237.69
Prepaid expenses	258.49	299.00
GST receivables	79.76	151.75
Others	7.61	33.61
	590.09	**801.54**
Considered doubtful:		
Advances to suppliers	16.77	9.95
Advances to milk suppliers	10.79	34.92
Less: Allowance for doubtful advances	(27.56)	(44.87)
	-	**-**
	590.09	**801.54**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 14 Share capital

	As at 31 March 2021	As at 31 March 2020
Authorised:		
17,150,000 (31 March 2020: 15,000,000) equity shares of Rs. 10/- each	1,715.00	1,715.00
	1,715.00	**1,715.00**
Issued, Subscribed and Paid-up:		
11,324,700 (31 March 2020: 11,324,700) equity shares of Rs. 10/- each fully paid up	1,132.47	1,132.47
	1,132.47	**1,132.47**

Reconciliation of number of shares outstanding at the beginning and end of the year :

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares :				
Outstanding at the beginning of the year	**1,13,24,700**	**1,132.47**	**1,13,24,700**	**1,132.47**
Issued during the year	-	-	-	-
Balance as at the end of the year	**1,13,24,700**	**1,132.47**	**1,13,24,700**	**1,132.47**

Terms and rights attached to equity shares:

Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Number of Shares held by holding company:

	As at 31 March 2021	As at 31 March 2020
Equity shares:		
Godrej Agrovet Limited	58,79,008	58,79,008
(The ultimate parent is Godrej Industries Limited)		

Shareholders holding more than 5% shares in the company is set out below:

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares:				
Godrej Agrovet Limited	58,79,008	51.91%	58,79,008	51.91%
K.Bhasker Reddy	8,68,500	7.67%	8,68,500	7.67%
D.Chandra Shekhar Reddy	8,35,292	7.38%	8,35,292	7.38%
C.Mangaraj	6,54,892	5.78%	6,54,892	5.78%
M.Gangadhar	5,68,508	5.02%	5,68,508	5.02%

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 15 Other equity

	As at 31 March 2021	As at 31 March 2020
Retained earnings		
Opening balance	12,410.58	12,362.33
Impact on account of transition to IndAS 116, net of related deferred tax (refer note 37)	-	(13.84)
Add: Net profit for the year	594.04	471.66
	13,004.62	**12,820.15**
Appropriations:		
Dividend	(1,132.47)	(339.74)
Dividend distribution tax	-	(69.83)
Closing balance	**11,872.15**	**12,410.58**
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit obligation:		
Opening balance	(219.84)	(225.46)
Remeasurement during the year	(85.90)	7.51
Tax impact	21.62	(1.89)
Closing balance	**(284.12)**	**(219.84)**
General reserve:		
Opening balance	1,443.72	1,443.72
Transferred from retained earnings during the year	-	-
Closing balance	**1,443.72**	**1,443.72**
Securities premium	5,720.20	5,720.20
Capital reserve		
Opening balance	(186.98)	(186.98)
Closing balance	(186.98)	(186.98)
	18,564.97	**19,167.68**

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit and loss less dividend distribution and transfers to general reserve.

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Capital reserve

Capital reserve represents the difference between the value of consideration transferred and the value of net assets taken over pursuant to amalgamations/mergers under Court approved schemes

Other comprehensive income

Remeasurements of the net defined benefit liability/(asset) comprising of actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Dividend

In respect of the year ended 31 March 2021, Company has paid interim dividend of Rs. 2 per share for all four qaurters and directors have proposed a final dividend of Rs. 2 per share to be paid on fully paid shares. This equity dividend is subject to approval at the Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

Note 16 Long-term borrowings

	Non-Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
From banks, unsecured				
Term loans				
HSBC Bank	492.19	773.44	281.25	281.25
Federal Bank	250.00	-	1,000.00	-
	742.19	**773.44**	**1,281.25**	**281.25**

Term loans are unsecured and other terms are given below:

HSBC Bank

The Loan is repayable in 16 structured quarterly instalments commencing from 31st December 2019 and carries interest at Treasury bill rate + 100 bps spread p.a. Current interest rate of the loan is 4.42% per annum

Federal Bank

The Loan is repayable in 12 Equal quarterly instalments commencing from 30th September 2020 and current interest rate of the loan is 6.15% per annum

Note 17 Non-current provisions

	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits:		
- Provision for compensated absences	167.47	179.25
- Provision for gratuity (refer note 38)	201.98	144.26
	369.45	**323.51**

Note 18 Deferred tax liabilities

	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities (net) (refer note 41)	444.86	485.72
	444.86	**485.72**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 19 Deferred income

	As at 31 March 2021	As at 31 March 2020
Non-current		
Deferred grant (Refer Note below)	152.41	161.75
	152.41	**161.75**

Note: Represents government grants towards cold storages under cold chain project scheme. These subsidies are received towards acquisition of depreciable assets and the amount in proportion to the depreciation is transferred to the statement of Profit and Loss. There are no unfulfilled conditions or other contingencies attached to these grants. The group did not benefit directly from any other forms of government assistance.

Note 20 Current borrowings

	As at 31 March 2021	As at 31 March 2020
Unsecured		
Citi Bank- Short term loan	-	4,000.00
Total	**-**	**4,000.00**

Terms of short term Loan/ Working capital loans:

The above short term loan from citi bank was unsecured and repaid during the year. Interest rate applicable is in the range of 5.96% p.a. to 6.5% p.a for the loans outstanding.

Interest rate applicable for the current working capital loan is in the range of 7.05% p.a. to 7.25% p.a.

Note 21 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade Payables		
dues to micro and small enterprises (refer note 44)	422.35	266.52
dues to other than micro and small enterprises	4,686.48	4,133.02
Acceptances	13,592.87	10,829.07
	18,701.69	**15,228.61**

Trade payables includes payables to related parties Rs. 374.1 lakhs (31 March 2020 Rs. 217.51 lakhs). Refer note 42.

Note 22 Other financial liabilities - Current

	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term debt (refer note 16)	1,281.25	281.25
Security deposits	1,572.46	1,404.41
Capital creditors	475.05	539.10
Employee related payables	419.14	380.08
Lease liability	108.89	108.77
Unclaimed dividend	4.40	2.40
Provision for expenses	577.94	374.89
	4,439.13	**3,090.90**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 23 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers	457.10	491.46
Statutory liabilities	166.11	169.35
	623.21	**660.81**

Note 24 Deferred income

	As at 31 March 2021	As at 31 March 2020
Current		
Deferred grant (refer note 19)	9.34	9.34
	9.34	**9.34**

Note 25 Provisions

	As at 31 March 2021	As at 31 March 2020
Current		
Provision for employee benefits:		
- Provision for compensated absences	82.01	65.75
- Provision for gratuity (refer note 38)	62.61	100.00
	144.62	**165.75**

Note 26 Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products	1,01,893.72	1,17,754.76
Other operating revenue:		
Sale of power	160.03	168.93
Processing charges	48.53	24.41
Scrap sales	63.82	65.29
Sale of animal feed	1,057.89	1,284.52
	1,03,223.99	**1,19,297.91**
Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	1,07,360.87	1,23,742.49
Adjustments for:		
Discounts and incentives	(4,136.88)	(4,444.58)
	1,03,223.99	1,19,297.91

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 27 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income	73.53	205.73
Amortisation of government grants (refer note 19)	9.34	9.34
Net gain on sale of investments	10.47	32.59
Liabilities no longer required written back	172.16	149.07
Bad Debts recovered	-	7.50
Miscellaneous income	377.80	259.04
	643.30	**663.27**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 28 Cost of materials consumed

	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials:		
Material at the commencement of the year	5,519.13	3,699.82
Add : Purchases*	75,665.32	92,980.62
Less: Raw material at the end of the year	6,676.91	5,519.13
	74,507.54	**91,161.31**
Packing materials:		
Material at the Commencement of the year	743.13	682.92
Add : Purchases*	4,162.67	4,669.24
Less: Packing material at the end of the year	945.43	743.13
	3,960.37	**4,609.03**
	78,467.91	**95,770.34**

* Represents the balancing figure and includes certain production/ procurement overheads.

Note 29 Changes in inventories of finished goods, Stock-in-Trade and work-in-progress

	For the year ended 31 March 2021	For the year ended 31 March 2020
At the commencement of the year		
Stock-in-trade	68.95	29.33
Work-in-progress	623.55	442.07
Finished goods	6,039.87	5,405.02
	6,732.37	**5,876.42**
At the end of the year		
Stock-in-trade	93.26	68.95
Work-in-progress	600.76	623.55
Finished goods	5,185.25	6,039.87
	5,879.27	**6,732.37**
	853.10	**(855.95)**

Note 30 Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	6,043.99	6,155.81
Contribution to provident and other funds	427.57	421.92
Gratuity (refer note 38)	98.56	91.02
Compensated absences	93.40	87.11
Staff welfare expense	352.20	351.47
	7,015.72	**7,107.33**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 31 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on:		
Long-term loans	125.37	92.11
Short-term loans	71.70	66.77
interest expense on lease liability (refer note 37)	18.26	17.18
Others	14.94	2.03
	230.27	**178.09**

Note 32 Depreciation and amortisation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	2,735.68	2,528.86
Amortization of intangible assets	54.07	78.90
Amortization of right-of-use asset	132.83	126.20
	2,922.58	**2,733.96**

Note 33 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	405.21	565.35
Power and fuel	2,135.94	2,456.03
Rent	55.60	55.40
Rates and taxes	97.21	128.14
Repairs and maintenance:		
- Machinery	428.45	439.19
- Buildings	7.47	26.04
- Other assets	200.94	271.89
Other manufacturing expenses	2,499.01	2,713.09
Travelling and conveyance	314.53	475.42
Professional and consultancy charges	309.49	286.10
Office maintenance	23.21	34.53
Auditor's remuneration (refer note below)	30.70	27.29
Bad debts written off	56.78	33.27
Sundry balances written off	35.33	-
Allowances for doubtful debts and advances	33.69	82.31
Loss on sale/scrapping of property, plant and equipment, net	107.98	18.10
Selling, distribution and advertisement	4,976.07	4,920.35
Corporate social responsibility (refer note 43)	28.27	54.85
Miscellaneous expenses	889.55	882.38
	12,635.43	**13,469.73**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note: (excluding taxes)		
Statutory audit fee*	22.35	18.24
Other services	8.25	7.50
Reimbursement of expenses	0.10	1.55
	30.70	**27.29**

Note 34: Earnings per share

Computation of earnings per share

	For the year ended 31 March 2021	For the year ended 31 March 2020
Calculation of weighted average number of equity shares:		
Basic and diluted:		
Number of equity shares outstanding at the beginning of the year	1,13,24,700	1,13,24,700
Number of shares issued during the year	-	-
Weighted average number of equity shares outstanding at the end of the year	**1,13,24,700**	**1,13,24,700**
Profit attributable to equity shareholders	594.04	471.66
Earnings per equity share (face value of share Rs.10 each):		
- Basic earnings per share	5.25	4.16
- Diluted earnings per share	5.25	4.16

Note 35: Contingent liabilities and commitments

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	487.10	936.40
(ii) Export obligation under EPCG (refer note below)	48.87	48.87
The total customs duty saved against EPCG licenses was Rs. 8.14 lakhs.		
(iii) Guarantees issued by the Banks	59.02	54.38
b. Contingent Liabilities- Claims against the Company not acknowledged as debt in respect of (to the extent not provided for)		
(i) Income tax*	924.59	897.48
(ii) Indirect tax cases*	97.67	47.31
(iii) Other matters	168.83	146.65

* Tax paid under protest as at 31 March 2021: Rs. 234.8 lakhs (31 March 2020: Rs. 123.1 lakhs).

c. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the Contingent liability section in the financial statements. The impact of the same is not ascertainable.

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 36: Segment reporting

The Company is in the business of processing and selling milk and milk products. The Chief Operating Decision Maker (CODM) of the Company who is the Chief Executive Officer of the company makes the decisions relating to allocating and utilisation of the resources of the company. The CODM reviews the results of all milk and milk products together and therefore the company has identified that it has only one reportable segment. The revenue, results, assets and liabilities of the power business of the Company are not material (lower than 1% of total revenue) in the context of the financial statements and hence is not a reportable segment. Further, the Company operates within India and does not have operations in economic environments with different risk and returns. Hence, it is considered as operating in a single geographical segment.

Note 37: Leases

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The following are the changes in the carrying value of right-of-use assets for the year ended:

Particulars	Buildings
Cost	
As at 1 April 2020	347.92
Additions	125.98
Disposals	8.68
Balance at 31 March 2021	**465.22**
As at 1 April 2019	**236.37**
Additions	**111.55**
Disposals	**-**
Balance at 31 March 2020	**347.92**
Accumulated amortisation and impairment	
As at 1 April 2020	126.20
Amortisation	132.83
Impairment loss	-
Eliminated on disposals of assets	4.73
Balance at 31 March 2021	**254.30**
As at 1 April 2019	**-**
Amortisation	**126.20**
Impairment loss	**-**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Eliminated on disposals of assets	-
Balance at 31 March 2020	**126.20**
Carrying amounts	
Balance at 31 March 2021	**210.92**
As at 1 April 2020	**221.72**

The following is the rental expense recorded for short-term leases, variable leases and low value leases for the year ended 31 March 2021

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Short-term lease expense	43.29	32.67
Low value lease expense		-
Variable lease expenses (other than short term)	12.31	22.73
Total lease expense	**55.60**	**55.40**

Following are the changes in the lease Liability for the year ended March 31, 2021:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Opening	244.43	257.64
Additions	125.98	111.56
Finance cost accrued during the period	18.26	17.18
Deletions	(4.47)	-
Lease payments	(146.77)	(141.95)
Closing	**237.43**	**244.43**

The following is the cash outflow on leases during the year ended 31 March 2021:

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Payment of lease liabilities	128.51	124.77
Interest on lease liabilities	18.26	17.18
Short-term lease expense	43.29	32.68
Low value lease expense	-	-
Variable lease expenses other than short term	12.31	22.73
Total cash outflow on leases	**202.37**	**197.36**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

Particulars	Less than 1 year	Between 1 and 2 years	2 and 5 years	Over 5 years	Weighted average effective interest rate %
31-Mar-21					
Lease liabilities	121.91	77.23	55.62	7.19	7%
31-Mar-20					
Lease liabilities	122.24	77.10	58.85	13.73	7%

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note. 38 Assets and liabilities related to employee benefits

A) Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contribution to provident fund charged to the statement of profit and loss is Rs. 358.52 lakhs (31 March 2020: Rs. 350.90 lakhs).

B) Defined benefit plan

The Company provides gratuity for its employees as per the Payment of Gratuity Act, 1972. In case of employees who have joined prior to 1st November 2017, gratuity was paid as per their respective employment agreements. Effective 1st October 2019, all employees are eligible for gratuity after completion of continuous service for a period of 5 years. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity payable to employees beyond 5 years of employment is a funded plan and the Company makes contributions to LIC of India. For employees eligible for gratuity from 1 to 5 years, unfunded and payable directly by the Company. Liability with regard to this plan is determined based on actuarial valuation as at the end of the year and are charged to the statement of profit and loss.

Funding

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Net defined benefit obligation as at balance sheet date:

	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation	635.13	666.38
Fair value of plan assets	(370.55)	(422.12)
Net defined benefit (obligation)/assets	**264.58**	**244.26**

Movement in net defined benefit obligation and plan assets:

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

The following table shows a reconciliation from the opening balances to the closing balances:

	Defined benefit obligation		Fair value of plan assets	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Opening balance	666.38	635.23	422.12	377.42
Current service cost	84.91	88.59	-	-
Past service cost	-	(16.05)	-	-
Interest cost/ Interest income on plan assets	37.29	45.52	23.62	27.04
Benefits paid	(230.52)	(88.27)	(150.90)	(82.34)
Contributions paid by the employer	-	-	84.54	100.00
Actuarial loss (gain) arising from:				
Demographic assumptions	-	(4.74)	-	-
Financial assumptions	(1.34)	47.48	-	-
Experience adjustment	79.56	(50.25)	-	-
Acquisition adjustment	(1.15)	8.87	(1.15)	
Return on plan assets excluding interest		-	(7.68)	-
Closing balance	**635.13**	**666.38**	**370.55**	**422.12**

Effect of any Amendments, Curtailments and Settlements:

During the year ended 31 March 2021, the past service cost of Nil had been recognised in the statement of profit and loss, due to change in vesting criteria from certain category of employees from zero years to 5 years

Expense recognized in the statement of profit and loss:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	84.91	88.59
Past service cost	-	(16.05)
Net interest cost	13.65	18.48
	98.56	**91.02**

Remeasurements recognised in other comprehensive income :

	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial loss/(gain) arising from Defined Benefit Obligation	78.22	(7.51)
Return on plan assets excluding interest income	7.68	-
	85.90	**(7.51)**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Plan assets:

Plan assets comprise of the following:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Group Gratuity cum Life Assurance with LIC	370.55	422.12
Coverage of plan asset	100%	100%

Summary of actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	5.65%	5.60%
Future salary growth	5.00%	5.00%
Rate of employee turnover	20.00%	20.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

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:

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(25.74)	27.92	(25.55)	27.65
Future salary growth (1% movement)	27.89	(26.20)	27.00	(25.38)
Rate of employee turnover (50% of attrition rate)	(7.16)	3.53	(10.86)	7.98

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the Management to be Rs. 100.00 lakhs (31 March 2021: Rs. 84.55 lakhs).

Expected future cash flows:

The expected future cash flows in respect of gratuity as at Balance sheet dates were as follows (undiscounted):

Expected future benefit payments	As at 31 March 2021	As at 31 March 2020

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

March 31, 2022	150.28	185.12
March 31, 2023	111.42	118.11
March 31, 2024	95.57	93.49
March 31, 2025	89.14	80.53
Thereafter	383.08	375.58
	829.49	**852.83**

C) Other long-term employee benefits:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and the amount charged to the statement of profit and loss is Rs. 93.40 lakhs (31 March 2020 Rs. 87.11 lakhs)

Note 39: Financial instruments – Fair values and risk management

Note 39.1: Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2021:	**Carrying amount**			**Fair value**			
	FVTPL	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Trade receivables	-	853.44	853.44	-	-	-	-
Cash and cash equivalents	-	1,146.41	1,146.41	-	-	-	-
Bank balances other than cash and cash equivalents	-	7.08	7.08	-	-	-	-
Loand and advances	-	644.39	644.39	-	-	-	-
Other financial assets	-	643.90	643.90	-	-	-	-
	-	**3,295.22**	**3,295.22**	**-**	**-**	**-**	**-**
Financial liabilities:							
Borrowings (excluding current maturities)	-	742.19	742.19	-	-	-	-
Trade payables	-	18,701.69	18,701.69	-	-	-	-
Other financial liabilities	-	4,567.67	4,567.67	-	-	-	-
	-	**24,011.55**	**24,011.55**	**-**	**-**	**-**	**-**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

As at 31 March 2020	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:							
Investments	-	-	-	-	-	-	-
Trade receivables	-	904.49	904.49	-	-	-	-
Cash and cash equivalents	-	1,450.29	1,450.29	-	-	-	-
Bank balances other than cash and cash equivalents		3.33	3.33				
Other financial assets	-	572.98	572.98	-	-	-	-
	-	**2,931.09**	**2,931.09**	**-**	**-**	**-**	**-**
Financial liabilities:							
Borrowings (excluding current maturities)	-	4,773.44	4,773.44	-	-	-	-
Trade payables	-	15,228.61	15,228.61	-	-	-	-
Other financial liabilities	-	3,226.56	3,226.56	-	-	-	-
	-	**23,228.61**	**23,228.61**	**-**	**-**	**-**	**-**

Note

The carrying amounts of the above financial assets and liabilities are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values. The amortised cost of the long term borrowings with banks are considered to be at their fair values.

Note 39.2: Financial risk management objectives and policies

The Company has exposure to the following risks arising from financial instruments:

A) Credit risk

B) Liquidity risk

C) Market risk

(i) Currency risk

(ii) Interest rate risks

Risk management framework:

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A) 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 and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The company operates only in one geographical location i.e in India.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Further the company segments the customers into Distributors, Agents, Modern trade parties and others for credit monitoring.

The Company maintains security deposits for sales made to its customers. The Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company also establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The carrying amounts of trade receivables as disclosed in note no 8 represent the maximum credit risk exposure.

Impairment

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables other than from government bodies and Modern trade parties are in default, if the payments are due more than 180 days past due.

The ageing of trade receivables that are past due and expected credit loss are given below:

Year	1 to 30 days	31 to 90 days	91 to 180 days	Above 180 days	Gross receivables	ECL/ Impairment	Net trade receivables
As at 31 March 2021	624.33	189.18	47.89	253.97	1,115.37	(261.93)	853.44
As at 31 March 2020	746.17	203.90	40.96	276.54	1,267.57	(363.08)	904.49

The movement in loss allowance in respect of trade receivables is as follows:

Expected future benefit payments	As at 31 March 2021	As at 31 March 2020
Opening	363.08	280.77
Loss allowance (reversed) /recognised	(44.37)	115.58
Amounts utilized for write-off of debts	(56.78)	(33.27)
Closing	**261.93**	**363.08**

Other financial assets

This comprises mainly of balances with banks, deposits with Government authorities and other receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

are banks and government organizations. The Company considers that its balances with banks have low credit risk based on the external credit ratings of the counterparties. The Company has created the loss allowance for other receivables on specific identification basis.

The movement in respect of loss allowance is as follows:

Expected future benefit payments	As at 31 March 2021	As at 31 March 2020
Opening	44.87	44.87
Loss allowance recognised	33.69	-
Amounts written back	(26.09)	-
Closing	**52.47**	**44.87**

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company has sufficient current assets to manage the liquidity risk, if any in relation to current financial liabilities

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements.

As at 31 March 2021	**Carrying values**	**Contractual cash flows**				
		0-6 months	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities:						
Term loans (including current maturities)	2,023.44	640.63	640.63	531.25	210.93	-
Current borrowings	-					-
Trade payables	18,701.69	18,701.69	-	-	-	-
Other financial liabilities (excluding current maturities of long-term debt and lease liabilities)	3,048.99	3,048.99	-	-	-	-
Lease liabilities	237.43	56.45	52.43	70.85	50.76	6.94
	24,011.55	**22,447.76**	**693.06**	**602.10**	**261.69**	**6.94**

As at 31 March 2020	**Carrying values**	**Contractual cash flows**				
		0-6 months	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities:						
Term loans (including current maturities)	1,054.69	140.62	140.62	281.25	492.20	-
Current borrowings	4,000.00	4,000.00	-	-	-	-
Trade payables	15,076.01	15,076.01	-	-	-	-
Other financial liabilities (excluding current maturities of long-term debt and lease liabilities)	2,853.48	2,962.25	-	-	-	-
Lease liabilities	244.43	57.38	51.38	70.01	52.90	12.76
Total	**23,228.61**	**22,236.26**	**192.00**	**351.26**	**545.10**	**12.76**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

C) 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.

Our Board of Directors and Audit Committee are responsible for overseeing our risk assessment and management policies. Our major market risks of foreign exchange and interest rate risk are managed by our treasury department, which evaluates and exercises independent control over the entire process of market risk management.

Currency risk:

The functional currency of group is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are Indian Rupees. The Company is exposed to currency risk in respect of transactions in foreign currency. The transactions of the Company primarily in foreign currency are import of machineries and spares. There are no foreign currency revenue. There are no foreign currency receivables or payables as at 31 March 2021 and 31 March 2020.

Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Expected future benefit payments	As at 31 March 2021	As at 31 March 2020
Fixed-rate instruments		
Long-term borrowings	1,250.00	-
Variable -rate instruments		
Long-term and short-term borrowings	773.44	5,054.69
	2,023.44	**5,054.69**

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	31 March 2021 Profit/ (loss)		31 March 2020 Profit or (loss)	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
Variable-rate instruments (Movements - 100 basis points)	(7.73)	7.73	(50.55)	(50.55)
Cash flow sensitivity (net)	**(7.73)**	**7.73**	**(50.55)**	**(50.55)**

Fair value sensitivity analysis for fixed-rate instruments:

The company does not have any fixed-rate instruments and therefore a change in interest rates would not affect the fair value of the instrument

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 40 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in the economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt as defined as interest-bearing loans and borrowings less cash and cash equivalents. Adjusted Equity comprises all components of equity.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at balance sheet dates are as follows:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Interest bearing loans and borrowings	2,023.44	5,054.69
Less: cash and cash equivalents	(1,146.41)	(1,450.29)
Adjusted net debt	**877.03**	**3,604.40**
Total equity	19,697.44	20,300.15
Adjusted net debt to total equity ratio	**0.04**	**0.18**

Note 41. Tax expense

The major component of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

(a) Amounts recognised in the statement of profit and loss:

	For the year ended 31 March 2021	**For the year ended 31 March 2020**
Tax expense		
Current tax:		
- Normal tax	166.63	54.80
Deferred income tax liability / (asset), net		
- Origination and reversal of temporary differences	(19.24)	19.45
- Reduction in tax rate	-	(333.29)
- MAT Credit reversal/ (entitlement)	-	69.47
Deferred tax	**(19.24)**	**(244.37)**
Earlier year tax	(12.65)	32.23
Tax expense for the year	**134.74**	**(157.34)**

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate are as follows:

A) Current tax

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	728.78	314.32
Income tax rate of Company’s domestic tax rate	25.168%	25.168%
Tax using Company’s domestic tax rate	183.42	79.11
Tax effects of :		
Non-deductible expenses (net)	11.35	29.12
Indexation benefit on freehold land	(47.38)	(35.54)
Effect of change in tax rates*	-	(333.29)
Impact of derecognition of deferred tax asset on MAT credit entiltlement **	-	69.47
Adjustment of tax expense relating to earlier periods	(12.65)	33.79
	134.74	**(157.34)**

*The Taxation Laws (Amendment) Ordinance, 2019 (‘Ordinance’) was promulgated by the President of India on 20 September 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to a domestic company to pay income tax at reduced rate of 22%. The Company has elected to exercise this option to pay income tax at a reduced rate of 22%.

** Includes reversal of deferred tax asset on Minimum Alternate Tax (MAT) credit recognised for the year ending 31 March 2019 of Rs. 69.47 Lacs. The deferred tax asset on MAT credit was de recognised as the Company cannot claim such credit having opted for lower rate of tax in terms of Income Tax Act, 1961

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

B) Deferred tax

Particulars	Balance as at 1 April 2019	Accounted through statement of profit and loss	Accounted through OCI	Accounted through retained earnings	Balance as at 31 March 2020	Accounted through statement of profit and loss	Accounted through OCI	Balance as at 31 March 2021
Deferred tax liabilities:								
Accelerated depreciation for tax purposes	1,402.35	(327.10)	-	-	1,075.25	(9.66)	-	1,065.59
Deferred tax assets:								
Indexation benefit on freehold land	(305.81)	(60.12)	-	-	(365.93)	(47.39)	-	(413.32)
MAT credit entitlement	(69.47)	69.47	-	-	-	-	-	-
Provision for employee benefits	(159.29)	42.16	1.89	-	(115.24)	15.10	(21.62)	(121.76)
Impact on account of transition to IndAS 116 (refer note 37)	-	1.72	-	(7.44)	(5.72)	(0.95)	-	(6.67)
Expenditure allowable on payment basis	(18.34)	18.34	-	-	-	-	-	-
Loss allowance for trade receivables and advances	(113.80)	11.16	-	-	(102.64)	23.66	-	(78.98)
Deferred tax liabilities, net	**735.64**	**(244.37)**	**1.89**	**(7.44)**	**485.72**	**(19.24)**	**(21.62)**	**444.86**

Notes:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 42: Related party disclosures

As per the Indian Accounting Standard on “Related Party Disclosures” (IND AS 24), the related parties of the Company are as follows:

I. Name of related parties and nature of relationships:

(i) Ultimate Holding Company:

Godrej Industries Limited

(ii) Holding Company:

Godrej Agrovet Limited (GAVL)

(iii) Key Management Personnel and relatives of such Personnel

1	K. Bhasker Reddy	(Managing Director – Managerial Services)
2	M. Gangadhar	(Executive Director – Managerial Services)
3	D. Chandra Shekher Reddy	(Executive Director – Managerial Services)
4	Late C. Balraj Goud	(Executive Director – Managerial Services - Till 31st October 2019)
5	Raj Kanwar Singh	(Whole-time Director & CEO & Whole Time Director - Till 13th November 2020)
6	Bhupendra Suri	(Whole-time Director & CEO & Whole Time Director - Effective from 7th December 2020)
7	Mangaraj Chinthala	(Director – Effective from 8th May 2020)
8	K.V. Ramchandra Rao	(Chief Financial Officer- Till 27th April 2021)
9	Pulamanthole Pisharath Manoj	(Chief Financial Officer- Effective from 3rd May 2021)
10	Neha Poojary	(Company Secretary- Effective from 12th December 2019)
11	Sandhya Kondapalli	(Wife of K.Bhasker Reddy)
12	Rama Kumari Mandava	(Wife of M.Gangadhar)
13	Deepika Devireddy	(Wife of D. Chandra Shekher Reddy)

(iv) Other entities controlled by Key management personnel and their relatives

1 Khammam Milkline Private Limited

2 Dhulipalla Milkline Private Limited

3 Mohan Milkline Private Limited

4 Vidya Milkline Private Limited

5 Ongole Milkline Private Limited

6 Pamuru Milkline Private Limited

7 Kavali Milkline Private Limited

8 Pragathi Milkline Private Limited

9 Prima Food tech Private Limited

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

(v) Other group entities

1 Godrej & Boyce Manufacturing Company Limited

2 Godrej Consumer Products Limited

3 Godrej Tyson Foods Limited

4 Astec Life Sciences Limited

5 Godrej Properties Limited

6 Godrej Maximilk Private Limited

7 Godvet Agrochem Limited

II. Related party transactions during the year:

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A	**Ultimate Holding Company:**		
	Godrej Industries Limited		
	Sale of products	42.16	78.45
	Provision of services	1.00	-
B	**Holding Company - Godrej Agrovet Limited**		
	Reimbursement of expenses	152.27	150.82
	Sale of products	-	5.40
	Purchase of traded goods	1,042.26	1,243.36
	Purchase of other goods	-	58.56
	Inter corporate deposit received and repaid	3,000.00	500.00
	Interest paid on inter corporate deposit	14.88	1.59
	Dividend paid	587.90	176.37
C	**Fellow subsidiaries**		
	Godrej & Boyce Manufacturing Company Limited		
	Purchases of materials	4.23	19.97
	Godrej Consumer Products Limited		
	Purchase of property, plant and equipment	-	1.57
	Sale of products	-	3.83
	Godrej Tyson Foods Limited		
	Sale of power	152.47	134.93
	Sale of products	-	0.93
	Inter corporate deposit given and recovered	1,000.00	1,000.00
	Interest income on inter corporate deposit	2.28	28.21
	Godrej Properties Limited		
	Sale of products	-	1.93

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	Godrej Maximilk Private Limted		
	Inter corporate deposit given	837.00	828.00
	Interest income on inter corporate deposit	7.84	29.68
	Purchase of milk	204.35	-
	Godvet Agrochem Limited		
	Inter corporate deposit given and recovered	440.00	700.00
	Interest income on inter corporate deposit	5.42	37.27
	Astec Life Sceinces Limited		
	Sale of products	-	1.10
	Inter corporate deposit given and recovered	-	16,350.00
	Interest income on inter corporate deposit	-	65.68
D	**Key Management Personnel ('KMP') and relatives**		
	Short Term Employee Benefit:		
	K. Bhasker Reddy	51.51	92.93
	M. Gangadhar	43.38	74.80
	D. Chandra Shekher Reddy	51.30	92.84
	Late C. Balraj Goud	-	92.80
	Raj Kanwar Singh	97.80	137.72
	K.V. Ramchandra Rao	48.51	48.26
	Bupendra Suri	60.10	-
	S.Raghava Reddy	-	9.41
	Neha Poojary	12.14	3.97
	Sandhya Kondapalli	12.23	29.02
	Deepika Devireddy	12.23	29.02
	Mangaraj Chinthala	12.23	29.02
	Rama Kumari Mandava	6.34	29.02
	Note: Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.		
E	**Dividend paid**		
	K. Bhasker Reddy	86.85	26.06
	M. Gangadhar	56.85	17.06
	D. Chandra Shekher Reddy	83.53	25.06
	Late C. BalrajGoud	-	19.65
	Sandhya Kondapalli	29.00	8.70
	Deepika Devireddy	20.50	6.15

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	Mangaraj Chinthala	108.91	13.03
	Rama Kumari Mandava	25.12	7.54
F	**Enterprise over which KMP exercise significant influence with relatives**		
	Purchases of milk and services		
	Ongole Milkline Private Limited	2,031.03	2,262.47
	Mohan Milkline Private Limited	3,403.35	3,184.15
	Vidya Milkline Private Limited	502.86	687.90
	Khammam Milkline Private Limited	1,650.32	1,324.46
	Pamuru Milkline Private Limited	1,114.43	1,046.79
	Kavali Milkline Private Limited	1,913.27	2,340.32
	Pragathi Milkline Private Limited	322.23	468.12
	Prima FoodTech Private Limited	14.49	20.73
	Prima Food tech Private Limited		
	Inter corporate deposit given	300.00	300.00
	Interest income on inter corporate deposit	24.68	3.52
	Sale of products		
	Khammam Milkline Private Limited	9.00	12.28
	My Village Model Village Foundation		
	Corporate Social Responsibility	-	5.00
G	**Director Sitting Fees**	6.80	7.20
H	**Rent paid to relatives of Key Management Personnel**		
	Sandhya Kondapalli	-	16.54
	Rama Kumari Mandava	-	16.47
	Deepika Devireddy	-	16.47
	Mangaraj Chinthala	-	16.47

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

III. Related party balances at the end of the year:

	Particulars	As at 31 March 2021	As at 31 March 2020
A	**Ultimate Holding Company:**		
	Godrej Industries Limited		
	Trade receivable	3.28	4.27
B	**Holding Company - Godrej Agrovet Limited**		
	Trade payables, net	218.53	82.54
C	**Fellow subsidiaries**		
	Godrej Tyson Foods Limited		
	Trade receivable	14.03	-
	Godrej Maximilk P Ltd		
	Trade payables	9.83	-
	Inter corporate deposit- receivable	621.56	-
D	**Enterprise over which KMP exercise significant influence with relatives:**		
	Trade payables:		
	Kavali Milkline Private Limited	7.35	20.88
	Khammam Milkline Private Limited	86.49	57.50
	Mohan Milkline Private Limited	5.65	30.55
	Pamuru Milkline Private Limited	4.78	8.37
	Pragathi Milkline	1.85	1.22
	Vidya MilkLine Private Limited	9.02	1.62
	Ongole MilkLine Private Limited.	7.81	10.83
	Inter corporate deposit- receivable:		
	Prima FoodTech Private Limited	22.83	4.00
E	**Payable to key management personnel**		
	K V Ramchandra Rao	1.01	1.01
	Neha Poojary	0.27	0.27

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Note 43 : Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee. The CSR Committee approved CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, have been identified to incur CSR expenditure.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount required to be spend by the Company	28.28	54.85
Amount spent:		
Construction/acquisition of any asset	-	-
On purposes other than above:		
Contribution to NGOs	-	5.00
Amount spent/ provided for by the Company on various welfare activities*	19.73	49.85
Total amount spent	**19.73**	**54.85**

*Amount un-spent for the year ended 31 March 2021 of Rs.8.55 Lakhs has been deposited in CSR Unspent account subsequent to the year end.

*Amount spent for the year ended 31 March 2020, includes provision of Rs.9.85 Lakhs for a contractual commitment entered by the company which is in progess and shall be completed in the ensuing financial year. The same amount has been deposited in CSR Unspent account subsequent to the year end.

Note 44 : Dues to micro and small enterprises

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 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 Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
the amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	422.35	266.52
- Interest	-	-
the amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006);	-	-
the amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year;	-	-
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;	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

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 enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006;	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 45 : Borrowings movement

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities for movement in the statement of cash flow are given below:

Particulars	As at 1 April 2019	Cash flow*	As at 31 March 2020	Cash flow*	As at 31 March 2021
Long-term borrowings	2,555.31	(1,500.62)	1,054.69	968.75	2,023.44
Short-term borrowings	2,812.35	1,187.65	4,000.00	(4,000.00)	-
	5,367.66	**(312.97)**	**5,054.69**	**(3,031.25)**	**2,023.44**

*There are no non cash transactions from financing activities.

Note 46 : Merger of Nagavalli Milkline Private Limited

During the year, the National Company Law Tribunal (NCLT) has vide its order dated 17th October 2019 approved the scheme of amalgamation of Nagavalli Milkline Private Limited (NMPL), a wholly owned subsidiary, with the Company with an appointed date of 1st April 2019 (the Scheme). The Company has filed the aforementioned NCLT order with the Registrar of Companies on 30th October 2019. Accordingly, NMPL has merged with the Company. The accounting for the merger has been done in accordance with the Scheme which is as follows:

1. All the assets and liabilities of NMPL have been recorded by the company at their existing carrying values as appearing in the books of NMPL;
2. The identity of the reserves, including the negative balance of retained earnings of NMPL has been maintained and have been recorded as such in the books of the company;
3. The difference between the net assets so taken over, the reserves taken over and the carrying value of the investment held by the company in NMPL has been recorded as Capital Reserve; and
4. All intercompany receivables/payables have been cancelled out while giving the above accounting impact.

   Since NMPL was a wholly owned subsidiary of the Company, the effect of this transaction has been included retrospectively i.e. from the earliest period presented in the financial statements and hence the previous year figures have been restated to that effect.

   The following table summarises the impact of the transaction:

Particulars	Amount (Rs.)
Assets	
Non-current assets	193.88
Current assets	1.52
Total Assets (A)	**195.40**
Liabilities	
Non-current liabilities	0.00

Notes to the financial statements (All amounts are in Indian Rupees in lakhs except for share data or otherwise stated)

Particulars	Amount (Rs.)
Current liabilities	0.43
Total Liabilities (B)	**0.43**
Net Assets Taken over (C=A-B)	**194.97**
Reserves of Transferor company vested in transferee Company	
Retained Earnings	(9.52)
Total Reserves (D)	**(9.52)**
Cancellation of receivables from Transferor Company held by the transferee company (E)	**3.45**
Cancellation of investment in Transferor Company held by the transferee company (F)	**562.91**
Capital Reserves or Goodwill on amalgamation (C-D-E-F)	**(380.91)**

Note 47: Assessment of impact of Covid-19 pandemic:.

The management has considered internal and certain external sources of information including economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

The accompanying notes are an integral part of the financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of
Creamline Dairy Products Limited
CIN: U15201TG1986PLC006912

Rahul Choudhary
Partner
Membership No.: 408408
Place: Jodhpur

K Bhasker Reddy
Managing Director
DIN: 00014291
Place: Hyderabad

M Gangadhar
Executive Director
DIN:00014325
Place: Hyderabad

D.Chandra Shekher Reddy
Executive Director
DIN: 00063691
Place: Hyderabad

Bhupendra Suri
Whole-time director and
Chief Executive Officer
DIN: 09035926
Place: Hyderabad

Pulamanthole Pisharath Manoj
Chief Financial Officer
Place: Hyderabad

Neha Poojary
Company Secretary
Place: Mumbai

Date: 3 May 2021

NOTES

CREAMLINE DAIRY PRODUCTS LTD.
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