

Prabhat Dairy Limited

Fresh Dairy • Milk Ingredients • Co-manufacturing

Prabhat™

Partners in Progress

May 23, 2017

| | |
|--|--|
| BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai Ref. Scrip Code : 539351 | National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Ref: Symbol - PRBHAT |
|--|--|

Sub.: Outcome of the Board Meeting.

Ref.: Regulation 30 (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Dear Sir/Madam,

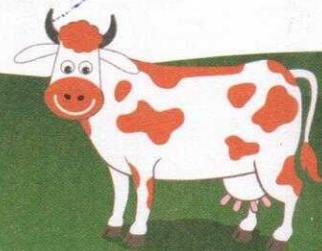
This is in continuation to our letter dated May 10, 2017 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Board of Directors of the Company was held as scheduled today i.e. May 23, 2017 and the Board inter alia has considered and approved audited financial results (standalone and consolidated) of the Company for the quarter and year ended March 31, 2017.

With reference to the above we are enclosing herewith the following documents:

1. Audited Financial Results (Standalone) for the quarter and year ended March 31, 2017, with Auditors' Report along with the declaration on Auditor's Report for Unmodified Opinion.
2. Audited Financial Results (Consolidated) for the quarter and year ended March 31, 2017, with Auditors' Report along with the Statement on Impact of Audit Qualifications on Auditors' Report with Modified Opinion.

Also, the Board of Directors has recommended a Final Dividend at the rate of Re. 0.40 per equity share of Rs.10/- each.

Also, the Board has appointed Mr. Haresh Shah (DIN: 00228471) as an Additional Independent Director of the Company and also appointed him as the Chairman of the Audit Committee. The Brief Profile of Mr. Haresh Shah is annexed herewith as Annexure A.



Regd. Office: 121/ 2A, At post Ranjankhol Rahata, Shirampur, Dist. Ahmednagar - 413 720
Maharashtra, India, Tel. 02422-645500, 645901 to 09, Fax: 02422-265816, (M) 9921087777.
Corporate Office: Plot No. D-37/4, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai - 400705.
Maharashtra, India. Tel.: 022-41287700
CIN: U15203PN1998PLC013068

www.prabhatfresh.com | info@prabhatfresh.com

The Board has also taken on record the resignation of Mr. Raphael Plihon (DIN: 06814236) with effect from today.

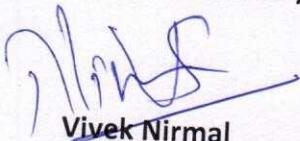
The above information is also hosted on website at www.prabhatfresh.com.

Kindly take the same on your records.

Thanking you.

Yours faithfully

For Prabhat Dairy Limited



Vivek Nirmal
Joint Managing Director
DIN: 00820923



Annexure A

Mr. Haresh Shah as a Chartered Accountant, Bachelors of Law and holding Ph.D. in Mergers & Acquisitions from University of Pune. He has a successful track record of practice of more than 35 years. Presently he is acting as the Chairman of HU Consultancy Pvt. Ltd., a company incorporated by him to provide specialised services in the areas of Mergers & Acquisitions, Corporate Restructuring, Joint Venture and Financial Re- engineering, Due Diligence, Valuation, Legal Approvals, etc. He also practices as a Chartered Accountant in the areas of audit, taxation, law, finance, etc. His core team comes from diverse educational and professional backgrounds including Chartered Accountant, Company Secretary, Law, business, finance, engineering and science. He is acting as an Independent Director on the Board of Enkei Wheels India Ltd., Anvil Share & Stock Broking Pvt. Ltd., Mergers India.com. Earlier, he also acted as a Director of Vyapar Industries Ltd. He was also a Senior Partner in J.K. Shah & Co. Chartered Accountants. His clientele includes Alok Industries Ltd., Electronica, Excel Crop Care Ltd., Koel Green, Sanvardhana Motherson, Enkei, Mather + Platt, KBIL, Genus, Sicagen, Enam, Forbes Marshall, Manikchand, Berlocher, Hoerbiger, Metric, Sinewave, Weikfiled, Gits, Indbank, Jopasana, etc. His practice areas covers almost all types of industrial sectors like auto ancillary, chemical & pharma, engineering, financial services, information technology, metals, real & realty, etc.

There exists no relationship of Mr. Haresh Shah with any Director of the Company and with the Company as on date of appointment i.e. May 23, 2017 and he does not hold any shares of the Company.



B S R & Associates LLP

Chartered Accountants

7th & 8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone +91 (20) 6747 7300
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Auditor's Report on Consolidated Financial Results of Prabhat Dairy Limited pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

To the Board of Directors of

Prabhat Dairy Limited

- 1 We have audited the accompanying annual consolidated financial results of Prabhat Dairy Limited ('the Company') and its subsidiaries (together referred to as 'Group') for the period from April 1, 2016 to March 31, 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended March 31, 2017 and the corresponding quarter ended in the previous year as reported in these consolidated financial results are the balancing figures between audited figures in respect of full financial year and published year to date figures made up to the end of the third quarter of the relevant financial year and have been regrouped/ reclassified where necessary. Also the figures up to the third quarter had only been reviewed and not subjected to an audit.
- 2 These consolidated financial results have been prepared on the basis of annual audited consolidated financial statements which are responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS), prescribed under section 133, of the Companies Act, 2013 ('the Act') read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 We conducted our audit in accordance with the accounting standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit includes examining on a test check basis, evidence supporting the amounts disclosed in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.



Prabhat Dairy Limited

Auditor's report for the year ended 31 March 2017 (continued)

- 4 As stated in the notes to the financial results, a material subsidiary has recognised Government Grant related to Income, which it is entitled to receive under the Package Scheme of Incentives 2007 ('the Scheme') of Government of Maharashtra, pertaining to prior periods during the current year ended March 31, 2017. These benefits are in the nature of Government Grants in accordance with Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. In our view, had the material subsidiary recognised such grant in the respective period when it should have, the Exceptional item (in relation to revenue from operations), Profit before tax, Tax expense, Net profit after tax and Earnings per share would have been lower for the quarter ended December 31, 2016 by Rs. 2,558.90 lakhs, Rs. 2,558.90 lakhs, Rs. 680.90 lakhs, Rs. 1,878.00 lakhs and Rs. 1.92 respectively and year ended March 31, 2017 by Rs. 1,891.47 lakhs, Rs. 1,891.47 lakhs, Rs. 374.16 lakhs, Rs. 1,517.31 lakhs and Rs. 1.55 respectively. Further, Revenue from operations, Profit before tax, Tax expense, Net profit after tax and Earnings per share would have been higher for the quarter ended March 31, 2016 by Rs. 392.78 lakhs, Rs. 392.78 lakhs, Rs. 73.38 lakhs, Rs. 319.40 lakhs and Re. 0.30 respectively and year ended March 31, 2016 by Rs. 1,891.47 lakhs, Rs. 1,891.47 lakhs, Rs. 458.21 lakhs, Rs. 1,433.26 lakhs and Rs. 1.66 respectively. Deferred tax liability (net) and Other equity as on March 31, 2016 would have been higher by Rs. 458.21 lakhs and Rs. 1,433.26 lakhs respectively.
- 5 In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in paragraph 4 above, these consolidated financial results:
- are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in this regard; and
 - give a true and fair view of the consolidated financial performance including other comprehensive income for the period April 01, 2016 to March 31, 2017

For B S R & Associates LLP

Chartered Accountants

Firm Registration Number: 116231W / W - 100024



Shiraz Vastani

Partner

Membership Number: 103334

Place: Navi Mumbai

Date : 23 May 2017

PRABHAT DAIRY LIMITED

Registered office: At Ranjankhol, Tal - Rahata, Dist Ahmednagar, Pin - 413720, Maharashtra, India
CIN: L15203PN1998PLC013068, Website : www.prabhatfresh.com, E-mail ID: investor@prabhatdairy.in

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

| Sr. No. | Particulars | Amount Rupees in Lakhs | |
|---------|--|--------------------------|------------------------|
| | | 31 Mar 2017 (Audited) | 31 Mar 16 (Audited) |
| | ASSETS | | |
| 1 | Non - current assets | | |
| | Property, plant and equipment | | |
| | Capital work-in-progress | 41,428.62 | 41,223.54 |
| | Intangible assets | 2,653.96 | 2,446.76 |
| | Financial assets | 70.63 | 97.14 |
| | Investments | | |
| | Other financial assets | 0.32 | 6.10 |
| | Income tax assets (net) | 603.03 | 252.56 |
| | VAT refund receivable | 280.39 | 355.11 |
| | Other non-current assets | 2,373.54 | 1,274.17 |
| | | 385.90 | 1,356.80 |
| | | 47,796.39 | 47,012.18 |
| 2 | Current assets | | |
| | Inventories | | |
| | Financial assets | 13,325.32 | 8,790.63 |
| | Trade receivables | | |
| | Cash and cash equivalents | 27,111.27 | 22,632.98 |
| | Bank balances other than cash and cash equivalents | 10,913.50 | 1,167.57 |
| | Loans | 5,644.47 | 29.84 |
| | Other financial assets | 42.97 | 40.41 |
| | Advance to suppliers | 1,893.78 | 641.41 |
| | Other current assets | 8,038.84 | 7,464.13 |
| | | 94.25 | 56.60 |
| | | 67,064.40 | 40,823.57 |
| | TOTAL ASSETS | 114,860.79 | 87,835.75 |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | Equity share capital | | |
| | Other equity | 9,767.61 | 9,767.61 |
| | | 59,053.99 | 54,796.14 |
| | LIABILITIES | 68,821.60 | 64,563.75 |
| 1 | Non - Current Liabilities | | |
| | Financial liabilities | | |
| | Borrowings | | |
| | Provisions | 3,859.52 | 3,844.78 |
| | Deferred tax liabilities (net) | 143.05 | 142.70 |
| | | 1,587.73 | 572.13 |
| | | 5,590.30 | 4,559.61 |
| 2 | Current Liabilities | | |
| | Financial liabilities | | |
| | Borrowings | | |
| | Trade payables | 31,925.55 | 11,933.36 |
| | Other financial liabilities | 5,378.13 | 5,212.69 |
| | Other current liabilities | 1,350.22 | 786.25 |
| | Provisions | 608.35 | 464.68 |
| | Current tax liabilities (net) | 46.58 | 47.19 |
| | | 1,140.06 | 268.22 |
| | | 40,448.89 | 18,712.39 |
| | TOTAL EQUITY AND LIABILITIES | 114,860.79 | 87,835.75 |

1 Reconciliation of Equity, as previously reported under IGAAP to Ind-AS for earlier periods :

| Sr No. | Nature of Adjustments | 31 Mar 2016 (Audited) |
|--------|---|--------------------------|
| A | Equity under IGAAP | |
| B | Effect of transition to Ind-AS on Statement of Profit& Loss: | 55,719.84 |
| | Add : | |
| | i. Dividend provision reversed (including dividend distribution tax) | 470.24 |
| | ii. Effect of fair valuation of investment in mutual funds | 0.78 |
| | iii. Deferred taxes | 357.39 |
| | Less : | |
| | i. Effect of change in measuring Property Plant and Equipment (PPE) at fair value | 1,654.03 |
| | ii. Effect of measuring long term borrowings at amortised cost | 7.02 |
| | vi. Others - prior period errors | |
| | Total Adjustment | 91.06 |
| C | Net Profit for the period under Ind-AS (A+B) | (923.70) |
| | | 54,796.14 |

SIGNED FOR IDENTIFICATION
BY

[Signature]

For B S R & Associates LLP



PRABHAT DAIRY LIMITED
Registered office: At Ranjankhol, Tal - Rahata, Dist Ahmednagar, Pin - 413720, Maharashtra, India
CIN: L15203PN1998PLC013068, Website : www.prabhatfresh.com, E-mail ID: investor@prabhatdairy.in
STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

| Sr. No. | Particulars | Amount Rupees in Lakhs (except per share data) | | | | |
|---------|--|--|----------------------------|--------------------------|--------------------------|--------------------------|
| | | Quarter ended | | 31 Mar 2016 (Audited) | Year Ended | |
| | | 31 Mar 2017 (Audited) | 31 Dec 2016 (Unaudited) | | 31 Mar 2017 (Audited) | 31 Mar 2016 (Audited) |
| 1 | Revenue from operations | | | | | |
| 2 | Other income | 37,718.10 | 40,809.82 | 30,675.87 | 140,986.50 | 116,769.92 |
| | | 50.03 | 22.06 | 24.69 | 126.46 | 146.56 |
| 3 | Total income | 37,768.13 | 40,831.88 | 30,700.56 | 141,112.96 | 116,916.48 |
| 4 | Expenses | | | | | |
| | (a) Cost of materials consumed | 32,421.61 | 33,156.49 | 24,768.07 | 115,027.05 | 93,442.79 |
| | (b) Purchases of stock-in-trade | 343.80 | 683.39 | 542.01 | 2,380.88 | 2,235.60 |
| | (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | (2,119.03) | (823.90) | (548.93) | (3,824.75) | (2,843.94) |
| | (d) Employee benefits expense | 961.75 | 871.74 | 777.54 | 3,468.93 | 2,826.41 |
| | (e) Finance cost | 755.42 | 791.57 | 591.91 | 2,943.51 | 4,052.17 |
| | (f) Depreciation and amortisation expense | 1,090.94 | 1,095.49 | 1,034.41 | 4,320.22 | 3,956.70 |
| | (g) Other expenses | 3,126.33 | 3,156.05 | 2,588.07 | 11,255.43 | 9,584.35 |
| 5 | Total expenses | 36,580.82 | 38,930.83 | 29,753.08 | 135,571.27 | 113,254.08 |
| 6 | Profit before exceptional items and tax (3 - 5) | 1,187.31 | 1,901.05 | 947.48 | 5,541.69 | 3,662.40 |
| 7 | Exceptional items | - | 2,558.90 | - | 1,891.47 | - |
| 8 | Profit before tax (6 + 7) | 1,187.31 | 4,459.95 | 947.48 | 7,433.16 | 3,662.40 |
| 9 | Tax expense | | | | | |
| | Current Tax | 375.21 | 975.70 | 376.84 | 1,741.21 | 1,218.39 |
| | Deferred Tax | 990.40 | 109.66 | (13.13) | 997.69 | 129.03 |
| 10 | Total tax expense | 1,365.61 | 1,085.36 | 363.71 | 2,738.90 | 1,347.42 |
| 11 | Profit/ (loss) for the year (8 - 10) | (178.30) | 3,374.59 | 583.77 | 4,694.26 | 2,314.98 |
| 12 | Total other comprehensive income (net of tax) | 30.11 | 1.24 | 0.52 | 33.84 | 4.97 |
| 13 | Total comprehensive income (11 + 12) | (148.19) | 3,375.83 | 584.29 | 4,728.10 | 2,319.95 |
| 14 | Paid-up equity share capital (Face value Rs. 10 each) (Face Value per share in Rupees) | 9,767.61 | 9,767.61 | 9,767.61 | 9,767.61 | 9,767.61 |
| 15 | Other Equity | | | | 59,053.99 | 54,796.14 |
| 16i | Earnings/ (loss) per share (before extraordinary items) (of Rs 10 each) (not annualised): | | | | | |
| | (a) Basic (Rs) | (0.15) | 3.46 | 0.68 | 4.84 | 2.70 |
| | (b) Diluted (Rs) | (0.15) | 3.46 | 0.68 | 4.84 | 2.70 |
| 16ii | Earnings/ (loss) per share (after extraordinary items) (of Rs. 10 each) (not annualised): | | | | | |
| | (a) Basic (Rs) | (0.15) | 3.46 | 0.68 | 4.84 | 2.70 |
| | (b) Diluted (Rs) | (0.15) | 3.46 | 0.68 | 4.84 | 2.70 |
| | See accompanying notes to the Financial Results | | | | | |



**SIGNED FOR IDENTIFICATION
BY**

[Handwritten Signature]

For B S R & Associates LLP

Notes to the Financial Results

The above consolidated financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their respective meetings held on May 23, 2017. These audited financial results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of the Companies Act, 2013.

The Group adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP"), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated.

The Statutory Auditors of the Company have audited above consolidated financial results of the Group for the year ended March 31, 2017. A qualified opinion has been issued by them thereon, in respect of recognition of Government Grants pertaining to prior periods, as explained below.

The figures for the quarter ended March 31, 2017 and corresponding quarter ended in the previous year, as reported in these financial results are the balancing figures between the audited figures in respect of full financial year and published year to date figures upto the third quarter of the relevant financial year.

Sunfresh Agro Industries Private Limited (a material subsidiary company) has received an Eligibility Certificate from the Department of Industries, Government of Maharashtra under the Package Scheme of incentives, 2007 ('Scheme') pursuant to which the material subsidiary company is eligible to receive benefits in the form of Electricity Duty exemption, Stamp Duty exemption and Industrial Promotion Subsidy (in form of refund of Value Added Tax and Central Sales Tax), subject to fulfillment of certain conditions under the scheme. These benefits are in the nature of Government Grants in accordance with Indian Accounting Standard (Ind-AS) 20 - Accounting for Government Grants and Disclosure of Government Assistance.

As per Ind-AS 20, Government grants shall not be recognised until there is reasonable assurance that the entity will comply with the conditions attached to them; and the grants will be received. Until, quarter and period ended September 30, 2016, there was a uncertainty of the timings of the actual receipt of the admitted claim from the Government, which was subject to number of factors beyond the control of the material subsidiary company. Management believed that reasonable assurance of receipt of grant will be established when sanction for the first disbursement of the claim is received by the material subsidiary company. Therefore, material subsidiary company did not recognize income resulting from government grant on accrual basis during the respective earlier periods.

During the quarter ended December 31, 2016, the material subsidiary company has received first disbursement sanction letter. Since, the material subsidiary has received first disbursement sanction letter, the management believes that there is now a reasonable assurance of receipt of grants accrued to the material subsidiary company. Accordingly, during the quarter ended December 31, 2016, material subsidiary has recognized income on accrual basis under the Scheme amounting to Rs 2,876.07 lakhs (Rs. 984.60 lakhs for nine months period ended December 31, 2016 and Rs. 1,891.47 lakhs for periods prior to April 1, 2016).

Income accrued in the quarter ended December 31, 2016 and year ended March 31, 2017, relating to earlier periods being Rs. 2,558.90 lakhs and Rs. 1,891.47 lakhs respectively, has been disclosed as an exceptional item.

Further, the material subsidiary company has obtained an external tax expert opinion for treatment of the aforesaid income under the provisions of Income tax Act, 1961. Based on the said opinion the Company has reduced the above income from the tax block of fixed assets.

On October 09, 2015, a search was conducted by the Income Tax Department pursuant to the provisions of section 132(1) and section 133A of the Income Tax Act, 1961 at the offices of the Company at Shirampur, Pune and Navi Mumbai and also at the offices of the subsidiaries of the Company and the residence of Executive Directors residing at Shirampur. The Company has not received any demand notice with respect to the search.

During the quarter ended 31 March 2017, since the Company has decided to file an application with the Hon'ble Income Tax Settlement Commission (ITSC) with respect to the expected litigation which may arise pursuant to the survey carried out by the Income Tax authorities for AY 2010-11 to AY 2016-17. Management has evaluated and provided an estimated additional tax liability (including deferred tax) of Rs. 1,158.31 lakhs during the quarter. The Company believes that they will not have any additional tax liability or penalty (if any) other than already provided in the books of accounts.

The Group is primarily engaged in the business of processing of milk and manufacturing of dairy products and therefore the Group is of the view that revenue from processing of milk and manufacturing of dairy products is a single component of the Group for assessing its performance. Hence, processing of milk and manufacturing of dairy products is the only reportable segment.

The Board of Directors has recommended dividend at the rate of Re 0.40 per equity share of face value of Rs. 10, for the year ended March 31, 2017. The said dividend is payable subject to its declaration by the shareholders of the Company in the ensuing Annual General Meeting of the Company.

**SIGNED FOR IDENTIFICATION
BY**

For B S R & Associates LLP



PRABHAT DAIRY LIMITED

Registered office: At Ranjankhol, Tal - Rahata, Dist Ahmednagar, Pin - 413720, Maharashtra, India
 CIN: L15203PN1998PLC013068, Website : www.prabhatfresh.com, E-mail ID: investor@prabhatdairy.in
 STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

Reconciliation of Profit, as previously reported under IGAAP to Ind-AS for the quarter and year ended March 31, 2016:

| Sr No. | Nature of Adjustments | Rupees in lakhs | |
|--------|---|-------------------------------------|----------------------------------|
| | | For the quarter ended 31 March 2016 | For the year ended 31 March 2016 |
| A | Net Profit as per previous GAAP | 816.26 | 2,452.51 |
| B | Effect of transition to Ind-AS on Statement of Profit & Loss: | | |
| | i. Effect of measuring long term borrowing at amortised cost | (3.23) | (82.54) |
| | ii. Effect of change in amortisation on account of measuring Property Plant and Equipment (PPE) at fair value | 8.31 | 33.25 |
| | iii. Remeasurement cost of net defined benefit liability | (0.82) | (7.62) |
| | iv. Deferred taxes | (144.82) | 11.31 |
| | iv. Others - prior period errors | (91.94) | (91.94) |
| | Total Adjustment | (232.50) | (137.54) |
| C | Net Profit for the period under Ind-AS (A+B) | 583.76 | 2,314.97 |
| D | Total other comprehensive income (net of tax) | 0.53 | 4.98 |
| E | Total comprehensive income (C+D) | 584.29 | 2,319.95 |

Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

Utilisation of funds raised through Initial Public Offering (IPO) of equity shares upto March 31, 2017 is as follows:

| Sr no. | Particulars | Rupees in lakhs |
|--------|---|-----------------|
| 1 | Issue proceeds | 30,000.00 |
| 2 | Less: Repayment of term loan from Indostar for Prabhat Dairy Limited | 4,620.00 |
| 3 | Less: Infusion of funds in Sunfresh Agro Industries Private Limited by way of subscription to it's equity shares out of which Rs 13,880.00 lakhs have been utilised towards repayment of term loan from Indostar Capital Finance Limited and Rs 3,506.80 lakhs have been utilised towards capital expenditure | 17,386.80 |
| 4 | Less: Fund utilised for payment of expense in relation to IPO | 1,982.10 |
| 5 | Less: Fund utilised for General corporate purpose | 6,011.10 |
| | Unutilised balance | - |

Place: Navi Mumbai
 Date : May 23, 2017



For Prabhat Dairy Limited

(Signature)
 Mr. Vivek Nirmal
 Managing Director

SIGNED FOR IDENTIFICATION
 BY

(Signature)

For B S R & Associates LLP

Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

| I | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) (Amount - Rupees in Lakhs) | Adjusted Figures (audited figures after adjusting for qualifications) (Amount - Rupees in Lakhs) |
|---|---------|---|--|--|
| | 1. | Total income (including exceptional item) | | |
| | 2. | Total Expenses | 143,004.43 | 141,112.96 |
| | 3. | Total comprehensive income | 135,571.27 | 135,571.27 |
| | 4. | Earnings Per Share | 4,728.10 | 3,210.79 |
| | 5. | Total Assets | 4.84 | 3.29 |
| | 6. | Total Liabilities | 114,860.79 | 114,860.79 |
| | 7. | Equity | 46,039.19 | 46,039.19 |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | 68,821.60 | 68,821.60 |

II Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

Parragraph 4 of the Auditors' Report on the consolidated financial results for the year ended March 31, 2017 ('the Results') has drawn attention to notes to the financial results which states that a material subsidiary has recognised Government Grant related to Income, which it is entitled to receive under the Package Scheme of Incentives 2007 ('the Scheme') of Government of Maharashtra, pertaining to prior periods during the current year ended March 31, 2017. These benefits are in the nature of Government Grants in accordance with Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. In our view, had the material subsidiary recognised such grant in the respective period when it should have, the Exceptional item (in relation to revenue from operations), Profit before tax, Tax expense, Net profit after tax and Earnings per share would have been lower for the quarter ended December 31, 2016 by Rs. 2,558.90 lakhs, Rs. 2,558.90 lakhs, Rs. 680.90 lakhs, Rs. 1,878.00 lakhs and Rs. 1.92 respectively and year ended March 31, 2017 by Rs. 1,891.47 lakhs, Rs. 1,891.47 lakhs, Rs. 374.16 lakhs, Rs. 1,517.31 lakhs and Rs. 1.55 respectively. Further, Revenue from operations, Profit before tax, Tax expense, Net profit after tax and Earnings per share would have been higher for the quarter ended March 31, 2016 by Rs. 392.78 lakhs, Rs. 392.78 lakhs, Rs. 73.38 lakhs, Rs. 319.40 lakhs and Re. 0.30 respectively and year ended March 31, 2016 by Rs. 1,891.47 lakhs, Rs. 1,891.47 lakhs, Rs. 458.21 lakhs, Rs. 1,433.26 lakhs and Rs. 1.66 respectively. Deferred tax liability (net) and Other equity as on March 31, 2016 would have been higher by Rs. 458.21 lakhs and Rs. 1,433.26 lakhs respectively.

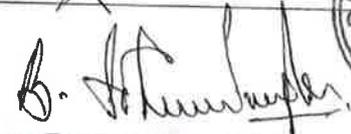
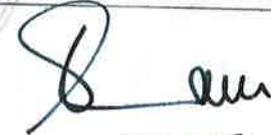
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| | <p>b. Type of Audit Qualification (Qualified Opinion / Disclaimer of Opinion / Adverse Opinion): Qualified Opinion</p> |
| | <p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing:</p> <p>The qualification was first reported in the limited review report on the consolidated financial results for the quarter and nine months period ended December 31, 2015 and has been continuing since.</p> |
| | <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>The management agrees with the quantification reported by the Auditors. The management has given explanation in notes to the financial results for the quarter and year ended March 31, 2017.</p> |
| | <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>-----Not Applicable-----</p> |
| | <p>(i) Management's estimation on the impact of audit qualification:</p> <p>-----Not Applicable-----</p> |
| | <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>-----Not Applicable-----</p> |
| | <p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>-----Not Applicable-----</p> |
| | |

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| III | Signatories: |
| | <ul style="list-style-type: none"> Vivek S. Nirmal Joint Managing Director DIN : 00820923   |
| | <ul style="list-style-type: none"> Raviraj Vahadane Chief Financial Officer   |
| | <ul style="list-style-type: none"> Soundararajan Bangarusamy Chairperson of Audit Committee   |
| | <ul style="list-style-type: none"> Shiraz Vastani Partner B S R & Associates LLP FRN: 116231W / W - 100024 Statutory Auditor  |
| | Place: Navi Mumbai |
| | Date: May 23, 2017 |

B S R & Associates LLP

Chartered Accountants

7th & 8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone +91 (20) 6747 7300
Fax +91 (20) 6747 7310

Auditor's Report on Standalone Financial Results of Prabhat Dairy Limited pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

To the Board of Directors
Prabhat Dairy Limited

1. We have audited the accompanying annual standalone financial results of Prabhat Dairy Limited ('the Company') for the period from April 1, 2016 to March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 March 2017 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of full financial year and published year to date figures made up to the end of the third quarter of the relevant financial year and have been regrouped/ reclassified where necessary. Also, the figures up to the third quarter had only been reviewed and not subjected to an audit.
2. These standalone financial results have been prepared on the basis of the annual audited standalone financial statements which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these standalone financial results based on our audit of such standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Prabhat Dairy Limited

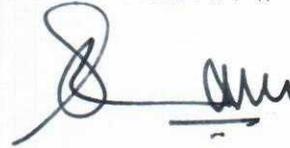
Auditor's report for the year ended 31 March 2017 (continued)

4. In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in this regard; and
 - (ii) give a true and fair view of the financial performance including other comprehensive income for the period from April 1, 2016 to March 31, 2017.

Place: Navi Mumbai
Date : 23 May 2017

For B S R & Associates LLP
Chartered Accountants

Firm Registration Number: 116231W / W - 100024



Shiraz Vastani
Partner

Membership number: 103334

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

| Sr. No. | Particulars | Amount Rupees in Lakhs | |
|---------|--|--------------------------|------------------------|
| | | 31 Mar 2017 (Audited) | 31 Mar 16 (Audited) |
| | ASSETS | | |
| 1 | Non - current assets | | |
| | Property, plant and equipment | | 13,797.13 |
| | Capital work-in-progress | | 151.59 |
| | Intangible assets | 12,888.76 | 97.14 |
| | Financial assets | | |
| | Investments | 516.61 | |
| | Loans | 70.62 | |
| | Other financial assets | 17,396.80 | 16,165.77 |
| | Income tax assets (net) | 11,551.56 | - |
| | VAT refund receivable | 80.18 | 96.65 |
| | Other non-current assets | 269.01 | 283.17 |
| | | 2,266.52 | 1,157.79 |
| | | 286.71 | 55.48 |
| | | 45,326.77 | 31,804.72 |
| 2 | Current assets | | |
| | Inventories | | |
| | Financial assets | | |
| | Trade receivables | 4,736.59 | 3,030.31 |
| | Cash and cash equivalents | | |
| | Bank balances other than cash and cash equivalents | 10,911.37 | 11,479.98 |
| | Loans | 7,660.89 | 531.02 |
| | Other financial assets | 5,586.28 | 5.40 |
| | Advance to suppliers | 3,031.15 | 13,131.16 |
| | Other current assets | 449.87 | 383.95 |
| | | 5,505.65 | 7,370.19 |
| | | 73.62 | 41.90 |
| | | 37,955.42 | 35,973.91 |
| | TOTAL ASSETS | 83,282.19 | 67,778.63 |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | Equity share capital | 9,767.61 | 9,767.61 |
| | Other equity | 45,969.64 | 43,689.84 |
| | | 55,737.25 | 53,457.45 |
| | LIABILITIES | | |
| 1 | Non - Current Liabilities | | |
| | Financial liabilities | | |
| | Borrowings | | |
| | Provisions | 3,837.54 | 3,799.52 |
| | Deferred tax liabilities (net) | 107.76 | 101.99 |
| | | 313.31 | 644.40 |
| | | 4,258.61 | 4,545.91 |
| 2 | Current Liabilities | | |
| | Financial liabilities | | |
| | Borrowings | | |
| | Trade payables | 12,734.77 | 5,505.61 |
| | Other financial liabilities | 3,668.17 | 3,567.61 |
| | Other current liabilities | 520.21 | 347.82 |
| | Provisions | 6,116.64 | 236.77 |
| | Current tax liabilities (net) | 42.77 | 43.48 |
| | | 203.77 | 73.98 |
| | | 23,286.33 | 9,775.27 |
| | TOTAL EQUITY AND LIABILITIES | 83,282.19 | 67,778.63 |

1. Reconciliation of Equity, as previously reported under IGAAP to Ind-AS for earlier periods :

| Sr No. | Nature of Adjustments | 31 Mar 2016 (Audited) |
|--------|---|--------------------------|
| A | Equity under IGAAP | |
| B | Effect of transition to Ind-AS on Statement of Profit & Loss: | 42,573.32 |
| | Add : | |
| | i. Effect of change in measuring Property Plant and Equipment (PPE) at fair value | |
| | ii. Dividend provision reversed (including dividend distribution tax) | 2,262.37 |
| | Less : | |
| | i. Effect of measuring financial instruments at fair value in respect of interest free loan given to subsidiary company | 470.24 |
| | ii. Effect of measuring long term borrowings at amortised cost | |
| | iii. Deferred taxes | 1,451.17 |
| | iii. Others - prior period errors | 7.03 |
| | Total Adjustment | 88.74 |
| C | Net Profit for the period under Ind-AS (A+B) | 69.15 |
| | | 1,116.52 |
| | | 43,689.84 |

SIGNED FOR IDENTIFICATION
BY

For B S R & Associates LLP



PRABHAT DAIRY LIMITED
Registered office: At Ranjankhol, Tal - Rahata, Dist Ahmednagar, Pin - 413720, Maharashtra, India
CIN: L15203PN1998PLC013068, Website : www.prabhatfresh.com, E-mail ID: investor@prabhatdairy.in
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

| Sr. No. | Particulars | Amount Rupees in Lakhs (except per share data) | | | | |
|---------|---|--|----------------------------|--------------------------|--------------------------|--------------------------|
| | | Quarter ended | | | Year Ended | |
| | | 31 Mar 2017 (Audited) | 31 Dec 2016 (Unaudited) | 31 Mar 2016 (Audited) | 31 Mar 2017 (Audited) | 31 Mar 2016 (Audited) |
| 1 | Revenue from operations | | | | | |
| 2 | Other income | 32,948.58 | 30,482.18 | 25,412.85 | 113,115.89 | 100,007.79 |
| 3 | Total income | | 429.43 | 467.73 | 1,711.59 | 1,788.83 |
| 4 | Expenses | 33,396.62 | 30,911.61 | 25,880.58 | 114,827.48 | 101,796.62 |
| | (a) Cost of materials consumed | | | | | |
| | (b) Purchases of stock-in-trade | 27,890.79 | 26,128.42 | 21,504.72 | 94,078.01 | 86,343.37 |
| | (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | 1,668.58 | 1,953.40 | 768.42 | 6,618.96 | 2,462.01 |
| | (d) Employee benefits expense | (342.65) | (1,223.68) | 253.16 | (1,525.98) | (672.77) |
| | (e) Finance cost | 731.24 | 649.42 | 573.61 | 2,596.01 | 2,145.69 |
| | (f) Depreciation and amortisation expense | 362.84 | 356.54 | 321.70 | 1,467.19 | 1,800.12 |
| | (g) Other expenses | 402.99 | 395.24 | 382.92 | 1,604.83 | 1,523.19 |
| 5 | Total expenses | 1,966.01 | 1,777.52 | 1,456.02 | 6,980.13 | 5,158.86 |
| 6 | Profit before tax (3 - 5) | 32,679.80 | 30,036.86 | 25,260.55 | 111,819.15 | 98,760.47 |
| 7 | Tax expense/ (credit) | 716.82 | 874.75 | 620.03 | 3,008.33 | 3,036.15 |
| | Current tax | 151.60 | 178.95 | 124.30 | 620.03 | 611.75 |
| | Deferred tax | 134.36 | (177.80) | (80.32) | (341.70) | (270.32) |
| 8 | Total tax expense | 285.96 | 1.15 | 43.98 | 278.33 | 341.43 |
| 9 | Profit for the year (6 - 8) | 430.86 | 873.60 | 576.05 | 2,730.00 | 2,694.72 |
| 10 | Total other comprehensive income (net of tax) | 9.75 | 3.43 | 4.32 | 20.04 | 13.73 |
| 11 | Total comprehensive income (9 + 10) | 440.61 | 877.03 | 580.37 | 2,750.04 | 2,708.45 |
| 12 | Paid-up equity share capital (Face value Rs. 10 each) | 9,767.61 | 9,767.61 | 9,767.61 | 9,767.61 | 9,767.61 |
| 13 | Other Equity | | | | 45,969.64 | 43,689.84 |
| 14i | Earnings per share (of Rs 10 each) (after extraordinary items) (not annualised): | | | | | |
| | (a) Basic (Rs) | 0.45 | 0.90 | 0.68 | 2.82 | 3.15 |
| | (b) Diluted (Rs) | 0.45 | 0.90 | 0.68 | 2.82 | 3.15 |
| 14ii | Earnings per share (of Rs 10 each) (after extraordinary items) (not annualised): | | | | | |
| | (a) Basic (Rs) | 0.45 | 0.90 | 0.68 | 2.82 | 3.15 |
| | (b) Diluted (Rs) | 0.45 | 0.90 | 0.68 | 2.82 | 3.15 |
| | See accompanying notes to the Financial Results | | | | | |



SIGNED FOR IDENTIFICATION BY

[Signature]

For B S R & Associates LLP

PRABHAT DAIRY LIMITED

Registered office: At Ranjankhol, Tal - Rahata, Dist Ahmednagar, Pin - 413720, Maharashtra, India
 CIN: L15203PN1998PLC013068, Website : www.prabhatfresh.com, E-mail ID: Investor@prabhatdairy.in
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

Notes to the Financial Results

The above audited standalone financial results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their respective meetings held on May 23, 2017. These audited financial results have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of the Companies Act 2013.

The Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP"), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated.

The Statutory Auditors of the Company have audited the above standalone financial results of the Company for the year ended March 31, 2017. An unqualified opinion has been issued by them thereon.

The figures for the quarter ended March 31, 2017 and corresponding quarter ended in the previous year, as reported in these financials are the balancing figures between the audited figures in respect of full financial year and published year to date figures upto the third quarter of the relevant financial year.

On October 09, 2015, a search was conducted by the Income Tax Department pursuant to the provisions of section 132(1) and section 133A of the Income Tax Act, 1961 at the offices of the Company at Shirampur, Pune and Navi Mumbai and also at the offices of the subsidiaries of the Company and the residence of Executive Directors residing at Shirampur. The Company has not received any demand notice with respect to the search.

During the quarter ended March 31, 2017, since the Company has decided to file an application with the Hon'ble Income Tax Settlement Commission (ITSC) with respect to the expected litigation which may arise pursuant to the survey carried out by the Income Tax authorities for AY 2010-11 to AY 2016-17. Management has evaluated and provided an estimated additional tax liability (including deferred tax) of Rs. 492.19 lakhs during the quarter. The Company believes that they will not have any additional tax liability or penalty (if any) other than already provided in the books of accounts.

The Board of Directors has recommended dividend at the rate of Re 0.40 per equity share of face value of Rs. 10, for the year ended March 31, 2017. The said dividend is payable subject to its declaration by the shareholders of the Company in the ensuing Annual General Meeting of the Company.

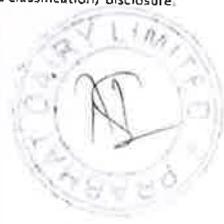
The Company had advanced an interest free loan of Rs. 2,993.51 lakhs to its wholly owned subsidiary (Cheese Land Agro (India) Private Limited) which was due for repayment on March 31, 2016. In the Board meeting held on May 18, 2016, the Board of Directors of the Company had approved to modify the repayment terms of the loan to "repayable on demand" with an interest rate not less than bank rate as prescribed by RBI. Accordingly, the Company has accounted an interest income of Rs. 224.52 lakhs during the year ended March 31, 2017 and restated the "Other income" reported for quarters ended June 30, 2016, September 30, 2016 and December 31, 2016 by Rs. 56.13 lakhs each.

The Company is primarily engaged in the business of processing of milk and manufacturing of dairy products and therefore the Company is of the view that revenue from processing of milk and manufacturing of dairy products is a single component of the entity for assessing its performance. Hence, processing of milk and manufacturing of dairy products is the only reportable segment.

Reconciliation of Profit, as previously reported under IGAAP to Ind-AS for the quarter and year ended March 31, 2016:

| Sr No. | Nature of Adjustments | Rupees in lakhs | |
|--------|--|--------------------------------------|-----------------------------------|
| | | For the quarter ended March 31, 2016 | For the year ended March 31, 2016 |
| A | Net Profit as per previous GAAP | | |
| B | Effect of transition to Ind-AS on Statement of Profit & Loss: | 171.71 | 938.94 |
| i. | Effect of measuring Financial Instruments at amortised cost in respect of loan given to subsidiary company | 457.10 | 1,739.82 |
| ii. | Effect of measuring long term borrowings at amortised cost | (3.48) | (46.99) |
| iii. | Effect of change in amortisation on account of measuring Property Plant and Equipment (PPE) at fair value | (2.64) | (10.54) |
| iv. | Remeasurement cost of net defined benefit liability | (6.62) | (20.99) |
| v. | Deferred taxes | 30.93 | 165.43 |
| vi. | Others - prior period errors | (70.95) | (70.95) |
| | Total Adjustment | 404.34 | 1,755.78 |
| C | Net Profit for the period under Ind-AS (A+B) | 576.05 | 2,694.72 |
| D | Total other comprehensive income (net of tax) | 4.32 | 13.73 |
| E | Total comprehensive income (C+D) | 580.37 | 2,708.45 |

Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification/ disclosure.



SIGNED FOR IDENTIFICATION BY

For B S R & Associates LLP

PRABHAT DAIRY LIMITED

Registered office: At Ranjankhol, Tal - Rahata, Dist Ahmednagar, Pin - 413720, Maharashtra, India

CIN: L15203PN1998PLC013068, Website : www.prabhatfresh.com, E-mail ID: investor@prabhatdairy.in

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

Utilisation of funds raised through Initial Public Offering (IPO) of equity shares upto March 31, 2017 is as follows:

| Sr no. | Particulars | Rupees in lakhs |
|--------|---|-----------------|
| 1 | Issue proceeds | 30,000.00 |
| 2 | Less: Repayment of term loan from Indostar for Prabhat Dairy Limited | 4,620.00 |
| 3 | Less: Infusion of funds in Sunfresh Agro Industries Private Limited by way of subscription to it's equity shares out of which Rs 13,880.00 lakhs have been utilised towards repayment of term loan from Indostar Capital Finance Limited and Rs 3,506.80 lakhs have been utilised towards capital expenditure | 17,386.80 |
| 4 | Less: Fund utilised for payment of expense in relation to IPO | 1,982.10 |
| 5 | Less: Fund utilised for General corporate purpose | 6,011.10 |
| | Unutilised balance | - |

Place: Navi Mumbai
Date : May 23, 2017



For Prabhat Dairy Limited

Mr. Vivek Nirmal
Managing Director

SIGNED FOR IDENTIFICATION
BY

For B S R & Associates LLP

Prabhat Dairy Ltd.

Fresh Dairy • Milk Ingredients • Co-manufacturing



May 23, 2017

| | |
|--|---|
| BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai Ref. Scrip Code : 539351 | National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Ref: Symbol - PRABHAT |
|--|---|

Sub.: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

With reference to the captioned Regulation, we hereby confirm that the Auditor's Report on Standalone Financial Results issued by B S R & Associates LLP, Chartered Accountants, Statutory Auditors of the Company, FRN – 116231W/W-100024, on the Standalone Audited Financial Results for the quarter and year ended March 31 2017 is with Unmodified Opinion.

Kindly take the above note on your records.

Thanking you,

Yours faithfully

For Prabhat Dairy Limited

Vivek Nirmal
Joint Managing Director
DIN: 00820923

